

Driving Out the Money Changers



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Rev. Charles E. Coughlin
Over a National Network
1933

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Foreword

This book contains the chief lectures delivered from the Shrine of the Little Flower beginning January 1st and ending April 16th, 1933.

It is a complement of a previous book published last year entitled "Eight Discourses on the Gold Standard."

It was my aim to treat as plainly as possible the vital moral-economic financial condition which, more than anything else in a material sense, has caused our present misery.

The principles which are applied throughout these discourses are based on the teachings of Leo XIII and Pius XI. Contrary to a subversive propaganda which is widely spread throughout our country, be it stated that a clergyman has not only the right but also the duty to speak on such subjects.

Throughout these lectures which were broadcast through the voluntary subscriptions of Catholics and Protestants, Jews and Gentiles, there is a purposeful development of thought which centers around the one idea of economic justice and liberty.

Today we are living in the hopes of a new deal. This hope is founded not only upon the promise of such but upon the actual presence of new men without whom the new deal would be impossible.

The people of this nation at present are filled with confidence and with determination.

The confidence is vested in our President, Franklin D. Roosevelt.

The determination is founded so securely that only deeds and not words will suffice to satisfy the nation.

It is my opinion that our confidence has not been misplaced. It is also my observation that unless this economic liberty can be quickly achieved under our present system of

government, there is no other prospect facing us than to alter that system if necessary in order to obtain justice and equity.

HONEST LEGISLATION ?

For three years the undeniable facts which I have expressed over this radio have been well known to the Seventy-Second Congress of the United States. Sad to say have been artfully side-stepped by this august body.

Our national debt has risen to \$235-billion. Our losses directly due to the depression have approximated \$265-billion—\$96-billion more than the total cost of the World War.

Suffering and sorrow, idleness and poverty we submit to the outrages of a money famine.

Our leaders have become obsessed with the cult of gold worshipping. Its sanctity must not be violated even though millions upon millions of victims are offered up within its fiery furnace.

II

For two months this last session of our Seventy-Second Congress has proven itself more interested, I fear, in beer than in bread ; more interested in the liberation of the Philippines than in the restoration of prosperity to the United States. Meanwhile it becomes disheartening to read how our Representatives will spend time discussing everything from the correct spelling of Puerto Rico to the placing of a label, if any, that will be glued upon a can of macaroni !

Yet it becomes absolutely alarming when we read of the most dangerous discussion of all, which found its way to the floor of our Senate, in the nature of the Glass bank bill. It takes its name from Senator Carter Glass of Virginia.

Every person in this nation realizes that from an economic angle, our depression was primarily caused by an injudicious, unintelligent and sometimes immoral financial system which not only produced a famine of money but which destroyed our credit and which almost has succeeded in reducing our nation to bankruptcy.

There must be a substantial corrective for these financial abuses which were responsible for marketing questionable bonds ; for gambling with depositors' money ; and for turning the stock exchange of Wall Street into a resort alongside of which Monte Carlo and the corner crap game are sanctimonious exercises of virtue.

Now, instead of facing this problem with courage and with vision, it has been side-stepped and neglected.

In its place there has been injected into the discussion of the Senate the smoke screen called the Glass bill. It is a bill, which in many of its articles, is commendatory, but which in its nineteenth article is the most subtlely vicious bill that the entire Seventy-Second Congress has ever considered.

It is only just that those in this audience be apprised of the importance associated with the nineteenth article of the Glass bill in order to learn of the desperate effort being made by the organized minority to perpetuate their plunder.

Briefly, this bill pretends to abolish the financial abuses from which you have suffered so grievously, by establishing branch banks. Briefly, it looks forward to the destruction of small independent local banks ; it visualizes the establishment of great central banks with branches throughout the State ; it presupposes the existence of the same banking system which we have today, including all its inherent abuses.

But before explaining any portion of this nineteenth article, let me first remind you that one of the current complaints which was voiced by Pius XI relative to the financial system of our civilization is identified with the cruel, unjust concentration and manipulation of credit in the hands of a few.

That this Glass bill in its nineteenth article is endeavoring to perpetuate this abuse is evident.

III

Before criticizing, let us pause for a moment to discover the history of this brilliant idea which, according to its sponsors, will eliminate our financial worries.

Scripture tells us that an evil tree cannot produce good fruit. Well let us examine the tree.

The announcement of this most important theory is recorded in *The New York Times* under the date of December 8th, 1932. It shall go down in the annals of politics as the climax of achievement ; as the high water mark of do-nothingism which characterized the golden Mellon age through which we have passed.

Let me read it to you as it appeared in the paper.

“*Ogden Mills Urges a Move for Branch Banking*”—that is the headline. The article reads as follows :

“*In dealing with reforms in, the banking situation Mr. Mills suggested immediate authorization for trade area branch banking as a temporary expedient to aid national banks, and recommended that a joint committee of Congress study all available data with a view to legislation ‘that will remedy the fundamental weakness of our banking structure’.*”

Secretary Mills is quoted as follows :

“The developments of the last decade”, says he, “have uncovered unmistakable defects in the American banking structure. They constitute a source of weakness in our economic life and have been an important factor in the present depression. They call for fundamental reforms.”

Mr. Mills agrees that the banking system has been “an important factor” in this poverty, this idleness, this confiscation that surrounds us.

Mirabile dictu ! What a wonderful expression !

The reform which he suggested in his own words is this :

“*I renew the recommendation looking to the extension of branch banking.*”

This, then, is the curative for the financial sins which have demoralized our nation. This is the restorative of peace and contentment and prosperity in our land !

Well has Mr. Ogden Mills lived up to his reputation. On the eve of his departure from, perhaps, the most important cabinet post in our Government, he sings his swan song in the same key and in the same pitch which characterized the Melody of Mellon for a period of nearly 14 years ; the chorus of which always ends with the couplet : “*financial welfare is preferred to human welfare.*”

If you trace it back far enough, perhaps this song will be found to originate in the heart of that great Tin Pan Alley known as Wall Street.

To be exact, it was sometime about the month of March, 1930, when Mr. Thomas W. Lamont, of the firm of J.P. Morgan and Company, expressed the identical idea that he was in favor of branch banking as the method of banking reform. Thus you plainly see, my friends, that the music is by Mills ; the lyric by J.P. Morgan and Company; and the obligato is by Carter Glass.

All this reminds me of a convention held inside the walls of Sing Sing Prison. Everyone admitted that there was need for prison reform. The citizens outside were complaining because of the laxity of the prison and because of the effeminacy of its rules. The prisoners were complaining because of the raspiness of the radio. Their laundry, so they charged, was returned improperly ironed. Their food was not so tasty as that served in the better hotels.

Well, the outcome of it all was that the prisoners themselves were actually devising ways and means to reform the iniquitous system of prison punishment.

I am sure that the authorities of New York State Department would be as ready to adopt the decisions of the prisoners as the people of the United States would be willing to acquiesce to the suggestions made by those who, more than any other group, have caused this depression.

Now, let us see (since we have traced this fruit back to the original tree from which it has fallen) if this brilliant suggestion is in keeping with the spirit of the new day.

Speaking to the New York Legislature in January, 1930, President-elect Roosevelt issued a statement which is counter to the proposal of the nineteenth article of the Glass bill, the bill that proposes to abolish all our abuses by establishing branch banks. He said :

“ We must by law maintain the principle that banks are a definite benefit to the individual community. That is why a concentration of all banking resources and all banking control in one spot or in a few hands is contrary to a sound public policy.

“ We want strong and stable banks, and at the same time each community must be enabled to keep control of its own money within its own borders.”

That, my friends, was the opinion publicly expressed by the gentleman whom we have elected to give us a “*new deal*”. We have no reason to believe that Mr. Roosevelt has altered this conviction in the face of the fact that branch banking is no curative to the financial ills which have aided and abetted the famine of money now threatening to overwhelm us.

Branch banking is no guarantee for the money of the depositor. I dare say that the 4,850 failures which have marked the history of our financial institutions during the past few months would not have amounted to such great numbers had they not been encouraged both directly and indirectly through the initial failure of one of the great branch banks in the City of New York.

Do not forget that the first important bank failure in this country during the present depression was the Bank of the United States with its 59 branches. It was followed by the Federal National Bank of Boston with its 8 branches. In succession there are chronicled the other branch bank failures, namely, the Banco Kentucky group, with 7 branches ; the A.B. Banks of Arkansas with 27 branches ; the Manley chain of Georgia

with 87 branches ; the Bain Banks of Chicago with 12 branches ; the Bankers' Trust Company of Pennsylvania, with 20 branches ; the United States National Bank of Los Angeles with 8 branches ; the Security Home Trust of Toledo with 10 branches ; the Peoples State Bank of South Carolina with 44 branches ; the Arizona State Bank with 5 branches ; the Foreman National group of Chicago with 6 branches.

Of course there is no necessity of even mentioning the other branch banking institutions, some of which would most certainly have failed had not the Reconstruction Finance Corporation poured millions of dollars into their vaults in preference to helping the small, individual banks such as we had in the municipality where I live. Every bank in the City of Royal Oak exploded with disastrous effects to the depositors.

Branch banking which is confined to a city or to a municipality is in no wise harmful. But when it is extended to the boundary lines of the State, it simply means the concentration of the wealth and of the credit of that State in the hands of a few for them to control ; for them to use.

How in the name of justice, can the little farmer living at the extremity of the State line ask for a loan from some big bank in the State Capital. He is not known and he is not cared for. Certainly the farmers should have learned this lesson after three years of having been neglected.

More than that, it means that through the subterranean channels of the financial system which has been established in this nation it will be rendered more feasible for the several great national and international banks in lower Manhattan to control the credit of the entire country.

The advocates of this system of branch banking will point to Canada and to its financial institutions as a paragon of perfection.

Fortunately for the citizens of Canada their financial institutions are still banks where the depositors' money is practically guaranteed by the Government ; where the depositors' money is limited to investment and not to speculation as happens in ninety-nine cases out of a hundred in this country where some branch banks have too often become bucket-shops and peddlers of worthless securities. And to extend them throughout the United States is the cure of the Glass bill !

Already we have learned of the origin of national banks in this nation. We are not ignorant of the fact that despite the Constitution of our country which maintains the right of Congress "to coin and regulate the value of money," this substantial right was handed over fifteen years after our country was founded to private financiers and private corporations whose printed paper money we are forced to use in order that they may acquire profits, and from whom we are asked to beg credit.

We are not ignorant of the fact that the originators of national banks in this nation themselves subscribed to the theory that their institutions grow fat on bonds and blood debts which arise from war. That is a matter of history.

And now like a simple little Red Riding Hood, do you think that the American public, bled white by this war of golden bullets, will stand before this wolf of the Glass bill and say in all simplicity : “ *What great teeth you have, grandmother!* ”

If it should, the answer will be as of old : “ *The better to eat you with, my child !* ”

IV

Perhaps it would be appropriate to mention at this moment another attempt on the part of the banking monopoly of this United States to put through a bill similar to the proposed Glass bill.

I know that I am speaking heretically so far as the dogmatic teachings of bankers are concerned. But it is about time somebody does.

The year is 1907. The chief actors in the drama are Charles Augustus Lindbergh, father of the famous aviator, Senator Aldrich, and Congressman Vreeland, the latter two being identified with mighty New York banks.

It was well known that ever since the Civil War, Congress had allowed the bankers to completely control financial legislation. This is what Congressman Lindbergh, the father of the “*Lone Eagle*,” had maintained. This is what every one knows who is acquainted with the history of our country.

Now in 1907 our nation was in the throes of a money panic.

Hundreds of millions of dollars of watered stock and of depreciated bonds were stored away in the vaults of the great banks of this country.

Day by day the market value of these bonds and stocks was being depreciated. Day by day the owners of national banks were becoming more and more excited because of the possibility and probability of their financial structures tumbling upon them.

At last they conceived a plan whereby they could be saved. Here is the plan :

Cooperating with each other, Senator Aldrich and Congressman Vreeland proposed what was known as the “Emergency Law” to the United States House of Representatives. The nature of this law was to permit national banks to deposit not only Government Bonds

with the Government for their privilege of printing money at the face value of these bonds, but also the privilege of depositing industrial bonds and municipal bonds in our Treasury with the right to print money against their face value.

What a calamity had that Bill been passed ! Some of these industrial and municipal bonds were actually selling on the open market in 1907 for fifteen cents on the dollar and few of them as high as fifty cents on the dollar !

What a proposal to permit the bankers to print paper money not at the market value of their deposited municipal bonds but at their face value !

This bill was rushed through Congress. Our representatives evidently were blinded to the fact that it was giving the national bank corporations of this nation the right to extend not only rubber credit money but to print rubber currency money.

Into the fray rushed Charles Augustus Lindbergh, who, in one sense is a greater hero in the eyes of this nation than is his illustrious son.

To this noble father and patriotic Congressman we owe the thanks of a grateful nation for exposing this terrible, nefarious plan which would have made a despot of Wall Street and a slave land of America.

Twenty-six years later we are witnessing an attempt on the part of this same group to do a similar thing by monopolizing in an indirect manner the banking facilities of the nation along with its credit. And that is something that the majority of you did not even suspect because they do not advertise.

Now as of then the Glass bill is being proposed to us as was the Aldrich-Vreeland bill as the means of rescuing a nation from a famine of money.

Now as of then, the bloated branch banks, wish to rewrite their bank stocks at double their value and enter them as such upon their books. A system of dropsical bookkeeping !

But now as of then, some new Charles Augustus Lindbergh, please God, shall have the courage to rise in the seats both of Congress and of the Senate to prevent this "*lame duck*" assembly from rushing through in the last few hours of its mortal existence its so-called curative for the financial ills of the nation.

A "*lame duck*" Congress and Senate that for the last few years have closed their eyes to the starving, to the unemployed, to the distressed citizens of this nation while telling us that there was no depression and while preaching to us that prosperity was just around the corner ! At its best, the Glass bill is a half measure. Like a half truth, which is worse than a whole lie, it bodes no good !

If the House of Morgan advocated such a measure in the year 1930 ; if Ogden Mills proposes it in the year 1932, the people of the United States know from what tree this fruit has come. They prefer to await the policies of their newly elected President and Congress who soon shall assume office ; who promised to bestow upon every one of us a fair and equitable deal.

Thus, while people are starving to death ; while industry is prostrate ; while foreign trade has vanished ; while the values of real estate have been decimated ; while to every school boy in this nation it is a matter of common knowledge that we are suffering from a money famine mostly due to the manipulation of the mighty banks which are greatly responsible for flooding the country with worthless credit money and with spurious bonds, we witness a group of Senators today—pretending that they represent the people—a group of them devising ways and means to help, to protect and to extend the power of this financial octopus whose tentacles are grasping at the throat of our nation.

No wonder that the Independent Bankers Association has gone on record in a letter to Senator Thomas Schall with the following statement. It says :

“ If section 19 of the Glass bill passes, it is going to place in the hands of the very few the entire credit machinery of the Nation. Section 19 is so utterly opposed to the spirit of the times that it is bound to bring ruination to its sponsors. The large banking interests of the country should realize that legislation is becoming more and more socialistic ; that if banking is concentrated into the hands of the few, the rank and file will eventually rise up against them ; that it will give the common people something to shoot at ; and that eventually the structure, which they are trying to raise to get domination of the credits of the country, will collapse, carrying the sponsors to ruination.”

If mass-productionism is a menace to our country the way it is being handled today, mass-financialism should hold greater terrors.

Certainly the American people are looking forward to a financial reform, but not the kind of reform that is couched in words of half truth. The American people are not overly anxious that this reform come from the selfish suggestions which emanate from lower Manhattan and which are fostered by certain legislators who are devotees of the principle that this nation shall remain a financial Republic.

Concentration of wealth in the hands of a few can no longer be tolerated.

Concentration of credit by a small group must no longer exist ! These are reforms which we demand along with a sane inflation of money.

Thus, if there are mismanaged small banks existing throughout the State or throughout the nation, that is no argument why their charters eventually should be assimilated by mismanaged giant banks of the great cities through the agency of the Glass bill which refuses to rescue us from the real financial abuses.

It is about time, my friends, that we have some honest legislation. It is about time that this wizardry of Wall Street and this double acting, half truth bill and measure similar to the Glass bill be eradicated from the seats of the Senate and from the Halls of Congress. Lincoln did not say in vain that "*this nation is of the people, by the people and for the people.*"

Lincoln's words will be put into practice despite what it is going to cost us.

The theories that have been expressed are rather peculiar.

For instance, the Glass bill subscribes to the principle that prosperity is associated with the thought that our national finances should be in the hands of a few. Do you not see that it is identical with the principle stated by some, especially the adherents of George III in 1775, that our national politics should be controlled by a few ? Both theories are counter to the democratic principles upon which our nation was founded. Both theories are identified with an oligarchical form of government and with the error which we are striving to eliminate, namely, the concentration of wealth and of power in the hands of a few.

Today it is imperative that we de-centralize this wealth and this power or else the Socialists will do it for us. Today we are struggling to destroy the famine of money by a policy of sound inflation. Today we are aiming at restoring honest wages, honest prices and honest dollars through legitimate and constitutional means. We are surfeited with bank failures, with cut wages, with increased taxation and with a financial system which regards money as the medium of control and not of exchange.

V

May I quote for you the sapient remarks of the revered ex-Senator Robert Owen, than whom no greater philosopher on finance exists in our nation.

He is an ardent advocate of sound inflation as the immediate salvation of our country.

He says :

"It is futile to say that there is plenty of money and credit in our country when the money is congealed and the credit is frozen.

"Those of you who desire to extend more currency money to the nation will be accused of advocating phony dollars. You will be met with the cry of inflation. But inflation means an unjustified expansion. You are not inflating—you are expanding because of a great national exigency.

“ You will be met with the charge of fiat money. But fiat money is money not redeemable in gold. And the money you propose is redeemable in gold.

“ You will be met with the charge that there is plenty of money. This is obviously untrue because the currency money of our nation has gone into hiding.

“ We all believe in an honest, sound dollar. But the present dollar is not an honest dollar. It is a dollar buying fifty cents more in commodities and 500% more in stocks and other forms of property than normal. It is a thief stealing the profit of the debtor under the color and protection of law ; it is stealing the savings of lifetimes from innocent people who are the victims of a financial mismanagement or worse.”

It is not pleasant to criticize those into whose hands the destiny of this nation has been placed.

But because we have had too much concentration of credit ; because we have been victimized by a financial system which has brought about a famine of dollars ; because we have grown weary of successful attempts to dodge the real issue of the day, it is about time that we demand our representatives to represent us and cease following the philosophy of the high priests of a broken down system of finance.

Not only the 12-million idle workmen ; not only the 30-million partially employed laborers ; not only the 40-million farmers and their families ; not only the small banker and the industrialist whose factory is closed—every citizen is demanding legislation which will restore honest dollars to the entire nation. We are weary of attempted legislation which aims at strengthening the position of those who control hoarded dollars and hoarded credit.

We are demanding legislation that will have some milk of human kindness in it ; that will have some drop of God’s justice in it to care for a people of a land that is teeming with wealth, filled with wheat and corn, crowded with factories, all of which, as far as we are concerned, may as well be in the depths of the Atlantic Ocean as long as we are forced to worship at the altar of this god of gold.

Surely we are asking for nothing that is un-Christian or unconstitutional when we petition for work, when we raise our voices for an opportunity to pay our just debts or when we ask a guarantee for the savings of a lifetime which perforce we must deposit in some bank.

That there is a way to assist those Congressmen and Senators, who are fighting desperately to remove the cause of our sorrow, our poverty, our idleness, is certain.

Thus, I am trying to enlist your moral support ; I am trying to marshal, into a solid army of action every voting citizen in this audience.

By your support I mean the assistance not only of every man but especially that of every woman in this audience.

Are you satisfied to suffer, to grumble, to raise your voice in childish complaint ?

You country bankers know not where to turn. You industrialists are living on the bread of hope and on the milk of optimism not knowing how you can honestly pay your dividends or your taxes because the purchasing power of our nation has been ruined.

You farmers have become slaves of the soil forced to produce your wheat and your cotton, to raise your hogs, your sheep and your cattle at a loss ; forced to face the sheriff who, perhaps, tomorrow morning will be on his way to put you out of your homestead.

You laborers in the city, I suppose, are satisfied to work incessantly at starvation wages ; to raise your children in want and poverty ; or to join the army of the unemployed.

You home owners and you landlords are happy, I presume, to see the value of our real estate melt under your eyes and the cost of your taxes mount month by month.

You women of this land, are you not anxious to help in this unequalled contest ; are all of you willing to stand idly by ? I believe the time has come to act in unison and in a constitutional manner.

Driving Out the Money Changers

Charles E. Coughlin

BONDS OR CHARITY ?

It appears that religion has lost much of its charm and forcefulness in the scheme of our modern civilization.

This is so true that more than sixty per cent of our fellow citizens profess no allegiance whatsoever to any organized church. They regard dogmas as unscientific presumptions. They look upon morals as unreasonable impositions.

While the Bible is regarded as a book to be revered, it is oftentimes considered archaic to maintain that its contents are revealed truths.

This is most unfortunate especially when we are confronted with the momentous problems of the present day.

Unguided by faith or by biblical principles, what solution has science offered to liquidate the imponderable debts accumulated by the Great War or to stem the ever increasing tide of losses which threaten to engulf us ?

With all the gifted intelligence resident in the minds of the economists which one of them, divorced from religion, has approached the problem of unemployment with such clarity of thought as is manifest in the legislation of the Mosaic Law or in the verses of St. Paul's inspired letter to the Corinthians, chapter the thirteenth ?

Not one of them ! These problems which are deep-rooted in man's social relations, one to another, have baffled a Pericles and an Aristotle of old, and will continue to defy lesser minds today unless the dim, fluttering candle of reason gives way to the lustrous shining of the Light of the World !

God's standard has been bartered for an impossible gold standard. Debts and financial rights have been deemed more precious than love and human rights.

First, let us consider the stupendous debts which are devastating our farms, confiscating our homes, divorcing our life's savings, destroying our industries and throwing into inevitable bankruptcy our once prosperous country.

As you are already apprised of the fact, our national and private debts have reached approximately \$235-billion.

Definitely related to these debts is a conservative loss of \$264-billion sustained by our citizens during the past three years.

This total of nearly \$500-billion is so staggering that our capacity to pay has long since become an impossibility.

Now, with what solution do the sacred Scriptures supply us when we are confronted by such a perplexing situation ?

Read with me the twenty-fifth chapter of the *Book of Leviticus*. There you find inscribed the following words :

“ Thou shalt sanctify the fiftieth year, and shalt proclaim remission to all the inhabitants of thy land ; for it is the year of jubilee. Every man shall return to his possession, and everyone shall go back to his former family.

“ In the year of jubilee all shall return to their possessions.

“ When thou shalt sell anything to thy neighbor or shalt buy of him thou shalt buy of him according to the number of years from the jubilee.

“ Do not afflict your countrymen.”

Here, then, both a principle and a practice are expressed.

The principle is plainly this, namely, that debts have a limitation and an ending. They must not afflict your fellow countrymen, nor, in any event, may they endure in perpetuity.

It is a principle which plainly infers that financial rights have a termination and that human rights are eternal.

Is is a principle which was not abrogated under the Christian dispensation ; for Christ came to perfect and not to destroy.

It is a divinely inspired principle which seemingly has not filtered through the minds of those into whose hands the destiny of our nation has been placed.

“Do not afflict your countrymen !” What care they for this economic inspiration that was born in heaven ?

If it conflicts with the philosophy of creditors, let it perish ! Let poverty reign, let stark starvation run rampant through our countryside ; let evictions multiply ! In a word, crush out human rights ! Pillory them in every public place to teach a broken hearted people that financial rights are supreme !

How inconsistent we so-called Christians are ! Invokers of the Name of God in our political speeches ! Builders of churches with our ill-gotten gains ! Mumblers of prayers in public places ! And hypocrites when actions would be more eloquent than words !

II

Take up and read not only those of you who still cling to the outstretched hand of religion but also those of you who, oppressed by debt, have forsaken her guidance to wander aimlessly down life's treacherous pathway—take up and read this twenty-fifth chapter of *Leviticus* in its entirety.

And what else shall you find ?

At least one more principle that is applicable in our present day when the budget is unbalanced, when taxes are being multiplied, when unemployment has reached a national crisis, and when the concentration of wealth in the hands of a few rides ruthlessly on under the whip and spurs of bonds and interest.

Let me read for you the passage at hand :

“If thy brother be impoverished and thou receive him as a stranger and sojourner, and he live with thee, take not usury from him nor more than thou gavest.

“Thou shalt not give, him thy money upon usury, nor exact of him any increase of fruits.

“If thy brother constrained by poverty, sell himself to thee, thou shalt not oppress him with the service of bond servants.”

Usury ! Interest ! Bonds ! Taxation !

Were we religious minded, it would not be difficult to apply this principle today.

III

On the contrary, we have adopted a policy which is out of tune with the basic harmony of the scripture which I have quoted.

It is a long, sordid story, my friends, in the telling of which I shall try to be brief.

Many of our social and economic sorrows are traceable to the lust for power, and to the greed for gold which dictated the policies which culminated in the Great War.

No one seriously denies that this wholesale carnage was an inevitable sequence to the commercial and financial greed which characterized the Age of Reason.

This is a serious statement to make. It is one which should not go unchallenged unless substantiated by facts.

For a moment, let us disregard the European nations and focus our attention upon America.

If you recollect, we entered the Great War on Good Friday in the year 1917.

On the eve of that eventful day our Senate was assembled.

Long into the hours of Holy Thursday night serious minded men debated both on grounds of patriotism and of righteousness whether or not we should take up arms against the Central Powers.

The night when nearly 1900 years before the Master supped with His Apostles and said to them : “ *This is the chalice of the new and eternal Testament which shall be shed for you and for many unto the remission of sins !* ”

The night when Judas betrayed Him for thirty pieces of silver ! The night of Gethsemane with its horrors, with its infuriated mob.

The night when was spoken the words “ *Put up thy sword into its scabbard. Know ye not that they who use the sword shall perish by it ?* ”

The short-lived night when Annas and Caiphas gloried in their passing triumph !

The clock in the Senate Chamber moved towards midnight. Frenzied words passed to and fro !

Voices were filled with emotion !

Was there ever such nervous tension before in the history of that august body ? Never !
Never !

The hands of the clock ticked off the seconds, the minutes !

It was ten minutes to twelve—and yet no decision had been made.

From his seat rose a white plumed, fearless, honest man. It was Senator James Reed of Missouri.

“If you must declare war,” said he *“for God’s sake, do it now before it becomes Good Friday.”*

And then the bells of midnight began to toll the yearly requiem for the Prince of Peace.

The Senate had waited too, too long !

Waited for the anniversary of His death day to declare the most iniquitous war that was ever waged !

It was the Good Friday of that memorable year of 1917.

It was the doomsday of thousands of America’s youths who, like the innocent Victim of old, were herded to their Calvary of sacrifice to be crucified between the two thieves of gold and greed.

On that eventful day the President of the Bank Board of the United States was Mr. E.P.C. Harding.

If the Senators knew not why they declared war, at least Mr. Harding was not ignorant.

On March the 22nd previous to the Declaration, mind you, he knew that eventually we would commit ourselves against the Central Powers. He knew it and knew why as is evident from these historic words—words that shall go down to blot with shame the pages of American history. Mr. Harding said :

“As a banker and creditor, the United States would have a place at the Peace Conference table, and be in a much better position to resist any proposed repudiation of debts, for it might as well be remembered that we will be forced to take up the cudgels for any of our citizens owning bonds that might be repudiated.”

What a confession, my friends ! What a paradox to Christian teaching ! What a burlesquerie on human rights ! To think of it : We must take up the cudgels ; we must rush headlong into a sea of blood ; we must sacrifice our boys ; we must crush the hearts of their mothers ; we must multiply barbarously the orphans in our fair land ; we must crucify again the Prince of Peace ; we must consign to hell the doctrines of charity—all

for the sake of bloody bonds owned by private citizens and bought at their personal risk. Bonds which today sleep in vaults where wealth lies buried, but which tomorrow shall rise like ghosts from graves in hell to haunt and to torment both us and our children !

Some future historian, my friends, will have both the courage and the honesty to analyze that statement of the president of the Bank Board of the United States and to tell fearlessly to the generations to come that our entrance into the Great War was motivated not to make the world safe for democracy, but to make the bonds and the debts collectable by our private lenders.

Christ was betrayed again for thirty dirty pieces of silver. And once again they who thus used the sword shall perish by it !

IV

What had happened to evoke such a heinous, sinful statement from the official mind of the president of the Bank Board of the United States ? Briefly, this is the outline of the facts :

We are discussing the year 1917.

For three years previous to this date American corporations had been waxing fat on the war materials which they were shipping chiefly to England and to France.

Already billions of dollars worth of wheat, of cotton, of arms and munitions had been poured into the lap of the Allies. Hardly a penny in actual money had been extended to them.

Now in 1917, it seemed certain that Germany would be victorious. If so, it seemed equally certain that England and France and the Allies would repudiate their debts.

Thus, it appeared that the private contracts entered into directly by American munition manufacturers with the Allied governments of Europe would be disavowed.

So we went to war to save our thirty pieces of silver ; to guarantee that the Allies whom our wealthy citizens had staked for three years would win and therefore pay.

Now the United States as a nation, after 1917, was officially participating in the conflict.

Now the complexion of the loans to the Allies was undergoing a change. Their payment was being made secure by the bodies and souls of innocent men.

More than ever in 1917 arms, munitions, coal and foodstuff were required by the Allies as well as by our army and navy. But from this year on our Federal Government, which means the American taxpayer, undertook to carry the burden.

Roughly estimated \$14-billion of war material was loaned to the Allies by the broad shouldered American taxpayer until eventually came the Armistice, and with it a second chapter of bond history was written.

For behold ! The \$14-billion worth of material—of wheat and of cotton, of meat and coal and munitions which we shipped abroad to England, to France, to Italy, to the Allies—was summarily cancelled. Their war debts were officially wiped out !

Meanwhile the American producers of these war materials had been paid in American dollars.

Meanwhile Government interest bearing bonds had been sold to our banks and to our citizens to raise these dollars. Those who were crucified to the cross of poverty must offer up sacrifice to those, their fellow citizens, who sat upon the thrones of the Herods of wealth.

Do you understand ? The taxpayers of the United States assimilated the debts cancelled so generously to the European nations. We assimilated the debts, and the taxpayers, through the medium of bonds, began to pay back the manufacturers of munitions and bullets used to kill and to destroy. Oh, indeed, if the debts had been cancelled in favor of the foreigners, the bonds representing them and piled upon the backs of the American public had not been canceled ! They still remained. Our citizens were still pledged to redeem these bonds which our Government had issued to pay the great corporations of America for their profitable contribution in having made a shambles of the civilized world.

We who thought that the flower of our youth had been sacrificed to make the world safe for democracy now agreed with president Wilson when he disillusioned us with the statement : “ *This was a commercial war.*”

Thus, once more I stress the point that as a result of the Great War the citizens of this, nation are, in one sense, debtors to the war profiteers of this country.

Their profits ran into billions of dollars. And as a result of it all, there sprang up in our midst in a period little over one year and a half 16,500 more millionaires than we had before we entered the conflict.

Let me give you a few examples from the official records in our Federal archives.

First comes the Bethlehem Steel Company. The profits of this corporation for the years 1911, 1912 and 1913 averaged \$3,075,108 per year. But in 1915 the profits jumped to

\$17,762,813. In 1916 they totalled \$43,503,968. And in 1918 they pyramided to \$57,188,769.

Second : Twenty-nine leading copper producing companies from 1915 to 1918 had a surplus of \$330,798,593 compared with the surplus of \$96,711,392 on the same day of 1914.

Third : The United States Steel Corporation with a capital stock of approximately \$750,000,000 made a profit in 1916 and 1917 alone of \$888,931,511.

Fourth : In the senate document 259 of the Sixty-fifth Congress there is made manifest the profits gained by American business during the year 1917. This document contains 388 pages of almost unbelievable facts.

In the meat-packing business alone half of the concerns admit profit of more than 50 per cent, and a sixth of them admit they made a profit of over 100 per cent.

Of the 340 coal producers in the Appalachian field, 79 of them reported profits between 50 and 100 per cent ; 135 of them testified that they profitted to the extent of 100 to 500 per cent ; 21 reported profits of from 500 to 1000 per cent ; and 14 testified that they made profits of more than 1000 per cent.

Of course, my fellow citizens, immediately following the Great War \$14 billion which Europe owed us at that moment in 1918 were summarily canceled. But that does not signify that the United States Government Bonds which floated these debts and which eventually are payable by your tax money and by mine—it does not signify that these were cancelled. For generations to come the American people will be paying out taxes to the dollar-a-year profiteer who already had grown fat upon the misery of a stricken people.

Perhaps the truthful historian to whom I referred a few moments ago will regard the Great War as the death knell to a system of irrational capitalism which greedily profiteered upon misery and to a system of financial control which waxed fat upon the bonded debts of a patient people.

And so today, my friends, the American people are demanding the normalization of the American dollar—a dollar that was abnormalized and rendered dishonest by the issuance of War Bonds, by the inflation of domestic credit at home, by the break-down of foreign commerce and trade and by the subsequent flight of currency money from the channels of circulation.

Today as in the year 1862, we are being terrorized and tyrannized by the philosophy which then was spoken by the House of Rothschild to the American bankers.

In a letter, known as the “*Hazard Circular*”, received by every bank in the State of New York and in New England on that date, we find the following statement :

“The great debt that capitalists will see to it is made out of the war must be used as a means to control the volume of money. To accomplish this, the bonds must be used as a banking basis.”

Thus, everyone is aware that money is controlled both by the debts and the profits arising from the war and by the multiplicity of bonds, bloody bonds, which bind us to the past and prevent us striving for the better things of the future.

No wonder that today following the Great War it is just as true as in the days following the Civil War that bankers are adverse to the issuance of currency money to replace the existence of interest bearing bond money that is sucking the life blood from our nation.

In 1872 a mighty group of New York bankers sent the following circular to every bank in the United States. It reads as follows :

“Dear Sir : It is advisable to do all in your power to sustain such prominent daily and weekly newspapers, especially the agricultural and religious press, as will oppose the issuance of greenback paper money, and that you also withhold patronage or favors from all applicants who are not willing to oppose the Government issue of money To repeal the law creating National Bank notes, or to restore to circulation the Government issue of money, will be to provide the people with money, and will therefore seriously affect your individual profit as bankers and leaders.”

V

Thus, the question of issuing non-interest bearing Government money to replace the interest bearing bond money has become a national issue.

The principle of Scripture supports Government non-interest bearing money. The principle of bankers stands firmly behind the bond money.

“If thy brother be impoverished”, says the Scripture—and God knows as a nation we are not only impoverished, but we are on the verge of bankruptcy—“if thy brother be impoverished and weak of hand, take not usury from him nor more than thou gavest.”

By which principle do the people of this nation wish to stand ?

By the principle revealed by Almighty God to His chosen people or by the policy advocated in the financial documents which I quoted ?

Billions of dollars of War Bonds bearing interest and multiplying wealth at the expense of our misery !

Or the equivalent of these bonds handed to their present possessors in new currency at which they will scoff and say :

“*Fiat money*” as if it were not backed by gold ; as if it were not cleaner and holier than the blood money of War Bonds to which they cling !

It would be billions of sterile currency dollars which the present bondholders would perforce invest in industry or in other tax bearing bonds.

It would help substantially to end the famine of money from which we are suffering.

Religion ! Faith ! Revelation ! These things, so taught the proud rationalist of the previous century, were relics of the uncultured past. Let us replace them with the clay god of reason. Let us substitute for God’s word the word of erring man.

If in ancient days it was taught that thou shalt not oppress thy brother, we of this new age shall shout from the house-tops and preach in the press that this absurdity must terminate once and for all.

If bonds and interest were forbidden even in the dim past of Mosaic days we of this age of reason shall teach a new doctrine that there can be no progress, no concentration of wealth in the hands of a few unless these instruments of tyranny are revived.

If there needs be such an illusion as religion, says the rationalist, bind it and cabin it up within the narrow precincts of a Sabbath Day ; for it has no place in the bank, no place in the stock exchange, no place in the secular life of a world’s prosperity.

Oh, my fellowmen, what price have we paid for this philosophy, for our cleverness, for our rationalism ; what sacrificial victim have we offered up at the feet of this dirty god of clay !

With tears in our eyes ; with hearts filled with repentance we have sadly staggered under the weight of this cross ; we became its victims until we were crucified between the thieves of greed and gold. But today I trust that we are glimpsing the first rays of a new sunrise, of a revived faith, of a happy Easter morn of resurrection from the dead past.

Once more we shall take up and read the Scriptures. Once more we shall turn to that beautiful letter which Paul inscribed to the Corinthians and read therein God’s philosophy of man’s relation to his fellowman as we put aside once and for all the rugged individualism, the pagan selfishness and the cursed exploitation which have temporarily replaced it in the days just passed.

“ *If I speak with the tongues of men and of angels, and have not charity, I am become as sounding brass, or a tinkling cymbal.*

“ And if I should have prophecy and should know all mysteries and all knowledge, and if I should have all faith, so that I could remove mountains, and have not charity, I am nothing.

“ And if I should distribute all my goods to feed the poor, and if I should deliver my body to be burned, and have not charity, it profiteth me nothing.

“ Charity is patient, is kind : charity envieth not, dealeth not perversely is not puffed up, is not ambitious, seeketh not her own, is not provoked to anger, thinketh no evil ; rejoiceth with the truth ; beareth all things, believeth all things, hopeth all things, endureth all things.

“ Charity never falleth away : whether prophecies shall be made void or tongues shall cease or knowledge shall be destroyed.

“ For we know in part : and we prophesy in part.

“ But when that which is perfect is come, that which is in part shall be done away.

“ When I was a child, I spoke as a child, I understood as a child, I thought as a child. But, when I became a man, I put away the things of a child.

“ We see now through a glass in a dark manner; but then face to face. Now I know in part : but then I shall know even as I am known.

“ And now there remain faith, hope and charity, these three : but the greatest of these is charity.” (I. Cor. XIII. 1-14).

And that, my friends, is the beautiful philosophy which God reveals to us—the doctrine of charity which is counter to the doctrine of rugged individualism. Charity, which looks into the soul of your fellow man and sees there not only the facial expressions of another human being but the borrowed splendor of the God Who created him !

Charity bids us love our fellowmen not for what they are in themselves but because God dwelleth in the temple of their hearts.

Charity, greater than all things, greater than all power, all wealth teaches us to love the Lord our God with our whole heart, with our whole soul, with our whole mind and our neighbor as ourselves. Charity teaches us that whatsoever we do unto the least of God’s little ones we do unto Him !

Without charity you cannot even pretend to Christianity.

Thus, shall we go down the highway of time perpetuating the hypocrisy of the past ? Shall we endeavor to work hardship and exploitation upon our fellowman knowing that whatever we do unto him we are doing unto Christ.

Oh, rob, steal, profiteer and exploit, bend low and break your fellow citizens ! Every time you lift a lash of oppression ; every time you raise a scourge of exploitation you are lashing Christ again at the pillar in Pilate's hall, you are driving home once more the thorns of worry into His brow ; you are crucifying Him upon the cross of Calvary !

Whatsoever you do to the least of His little ones you do unto Him !

Driving Out the Money Changers

Charles E. Coughlin

THE MARCH OF THE WORKERS

Two weeks ago this afternoon I had occasion to address this audience on the nineteenth article of the proposed Glass bill.

This bill intended to legalize branch banking throughout the entirety of the United States. It aimed eventually to assimilate all the small independent banks throughout any given State into one or two mighty central banks resident in the State's financial capital. It proposed to make possible the centralization of all banking eventually within the confines of lower Manhattan, New York City.

In a word, this short-sighted bill aimed at cornering all the credit of the nation in the hands of a few. More will be heard about that in the present Senate investigation.

I pointed out how the head of the Catholic Church lamented this concentration of wealth and of credit in the hands of a few and regarded it as one of the major economic evils of our day. I reminded this audience that the Glass proposal originated in the minds of those who for generations have grown fat upon the exploitation of the American public and was being advocated by a certain banking house whose ancestor multiplied his millions in the days of the Civil War by selling guns to the Federal Government ; guns that did not shoot and could not shoot, thereby prolonging the sufferings of that lurid conflict ; thereby proving his patriotism to posterity in being partly responsible for the needless sacrifice of thousands of men.

If I may digress at the outset of this afternoon's lecture, let me express a few words relative to war. They come to my mind as associated with this mention of the Civil War. Already you are apprised of the fact that there are existent in this nation almost \$12-billion of Government Bonds whose origin is traceable to the commercial war which was fought between the years 1914 and 1918. They are bonds upon which you citizens of this nation are paying approximately 3½ per cent interest both to the banks and to the individuals who hold them against you. Your yearly tribute is almost \$400-million in taxes to those who have invested in the debts which we have piled up to make the world safe not for democracy but for chaos, not for prosperity but for depression, not for liberty but for species of economic slavery where money, the medium of exchange, has been transformed into a scourge of control.

Meanwhile, the civilized nations of the world are at present spending approximately \$4-billion each year in preparation for the next war—for the next commercial war that appears to be inevitable because we do not know how to trade in justice and in equity with each other ; because the nations persist in upholding a policy of exploitation, of narrow nationalism both abroad and at home.

You are a patient people. But there are times when patience, ceasing to remain a virtue, degenerates into a vice.

You are a childish people who grow enthusiastic over empty victories. You become emotional with tears over needless slaughter. You will permit again, I presume your husbands and your sons to be conscripted body and soul but you lack sufficient courage and leadership and intelligence to demand legislation that if ever another such war shall break upon the tranquillity of our nation not only men shall be conscripted but money and gold must likewise be conscripted to defend our shores. Wake up !

Does it not seem most incongruous that both ex-service men and widows and sons of the slain victims be burdened with war debts when already they have sacrificed the best years of their existence and their most precious possessions before the altars of international, commercial greed ? Does it not appear equitable that if precious lives shall be conscripted, we shall not fail to conscript precious dollars ? Let us cease inflicting with starvation and confiscation a docile people who have borne the burdens of war and now are prostrate upon life's Calvary Hill—prostrate and exhausted from carrying the Cross of Depression !

That is why the prophet Nehemias said when he beheld the misery of a stricken people—a misery that had been increased by burdensome debts :

“And I was exceedingly angry when I heard their cry according to these words. And my heart thought with myself; and I rebuked the nobles and magistrates, and said to them : ‘Do you every one exact usury of your brethren ? ’ And I gathered together a great assembly against them. . . . And I said to them : ‘The thing you do is not good. . . Both I and my brethren, and my servants, have lent money and corn to many. Let us all agree not to call for it again : let us forgive the debt that is owing to us. Restore ye to them this day their fields, and their vineyards, and their oliveyards, and their houses. And the hundredth part of the money, and of the corn, the wine, and the oil, which you were wont to exact of them, give it rather for them.’ ”

So spoke the prophet of old according to the Scriptures of God, when the Jewish nation emerged from a war.

And so do we contrary in modern times according to the philosophy and devisals of godless man.

My friends, the time has come when like Nehemias we shall gather together a great assembly against the nobles of wealth and the magistrates who serve them !

II

But let us return to the Glass bill which supports the theory of the concentration of credit in the hands of a few. After twenty-one precious days of what most news journals called filibustering, this bill passed the Senate in a modified form. It has not yet even got into the halls of the Lower House. Its viciousness was well advertised throughout the nation. Only nine States in the Union which hitherto permitted branch banking will be permitted to continue this practice. So passed the bill in the Senate.

Twenty-one days spent in hatching an empty egg !

Twenty-one days "destroying" the fundamental causes of our national misery !

Twenty-one days in refusing to admit that we are suffering from a famine of money !

Twenty-one priceless days which were crowned by the same Senator Glass who, defeated in the nineteenth article of his bill, introduced a motion on the floor of the Senate to table all inflationary proposals, everyone of which was designed to rid this country of the famine of money. He even refuses to discuss this thing further !

Oftentimes, my friends, I have drawn to your attention the universally known fact that if there is hunger in our midst it is not due to a lack of foodstuffs ; if there are idle factories it is not due to an absence of desire on our part to use their products ; if there were more than one million farms confiscated during the past few months, this may not be attributed either to laziness or to inactivity. The American agricultural class is too industrious to suffer this charge.

It is all due to a stupid, vicious and radical philosophy on the part of certain nobles of wealth that money must be used as a medium of control.

Any proposal to destroy this famine of money is called radical and unsound. Any attempt to restore the purchasing power of the dollar to what it was when these damnable war bonds were launched upon a defenseless people is considered inflationary. By force of logic it is therefore unsound for men to work, it is unsound for a farmer to earn enough from his produce to save his home. It is unsound to clothe the naked, to feed the hungry, to keep open our schools. It is unsound to earn enough money whereby the products of our factories can be purchased. It is doubly unsound and heretical to cease worshipping at the altar of the man-made god of gold.

By the way, did your local newspaper comment upon the fact that any attempt not at inflation, which is a hypocritical word as used in this instance, but at normalization of the American dollar—did your newspapers carry an account that the United States Senate by a vote of 56 to 18 has refused to consider any proposal to increase our currency ?

If not, this is what was carried in the columns of “*The Detroit News*” on Thursday, January 26th. Mr. Jay Hayden, its representative in Washington, writes as follows :

“*The Democratic and Republican leaders on Capitol Hill, all opposed to any sort of direct tampering with the currency, now are agreed that there will be no further serious threat of legislation to debase the gold standard, at least until the beginning of the first regular session of the new Congress in January, 1934.*”

Well, my friends, there is optimism for you—an optimism that tells you to tighten up your belt ; an optimism that bids you smile and smile and be a devil as you look forward to the prospect of another year of idleness, of another year of profitless crops ; of another year of confiscation ; another year of closed factories ; another year of loss to our industrialists !

Three years ago, in the face of incontestable facts, you were a radical if you even whispered aloud the word “*depression*. ” Today you are worse than a red Bolshevik if you even permit yourself to think that there is such a thing as a famine of money which can be corrected.

III

Is there a famine of money in this country or are we all deceived by a heinous misunderstanding ?

Before answering this question, let me once more remind you that money is divided into three parts. First, there is your basic coin which you do not use directly : this is called gold. Secondly, there is your pocket money represented by silver coins and by paper bills : this is called currency. And, lastly, there is your check money, or your bonds, or your mortgages called credit or debt money.

Now all political economists agree that for every unit of basic money or gold which we possess, we may have in circulation $2\frac{1}{2}$ units of currency money and not more than 12 units of debt money.

This formula of 1 to $2\frac{1}{2}$ to 12 is the formula of sound money just the same as H^2O in chemistry is the formula for pure water.

Now in our nation we have approximately \$4½-billion of gold. Work out your formula. This permits us to have approximately \$11-billion of currency and \$54-billion of credit or debt money.

Well what are the facts existing at the present moment in this country ? Instead of having approximately \$11-billion of currency, we have in circulation nominally \$5-billion of currency. But if you subtract the money that has gone into hiding, the money that has been destroyed, we have no more than \$3-billion in real currency.

On the other hand we have the stupendous sum of approximately \$235-billion of debt money instead of \$54-billion actually supported by our \$4½-billion of gold.

The sound and scientific formula has been thrown aside by the modern manipulators of finance. Against all precedent and experience they attempt to tell us that sound money exists in the ratio of 1 to $1\frac{1}{3}$ to 117—just as sensible to say that the formula for water is C⁶H⁵OH, which, by the way, is the chemist's terminology for carbolic acid. Try to drink that for water and see what happens. And try to use our present formula of money and watch the “march of the workers.”

Now there is actually more than \$7-billion of a famine of currency money in this nation. There is approximately an overweight of \$180-billion of credit or debt money in circulation. More than we can conservatively carry.

The Senators in Washington know this far better than do you in this audience recognize it. And yet they have the effrontery to tell you through the columns of the press that those who desire inflation, as they term it incorrectly, are seeking to establish an unsound currency, as if it could be more unsound than that which exists today.

The truth of it is the system which they are endeavoring to uphold is so unsound that to it more than to anything else you can attribute the starvation and the idleness and the discontent which are so universal in this nation.

My friends, that is why for several Sundays I have been proposing the recall of the billions of dollars of war bonds. That is why I have been advocating the issuance of currency money in place of these bonds. This would not create on inflation but would only normalize the abnormal currency from which we are suffering. Call that radical if you will. But if you do, likewise call the Word of God radical after what you have heard as written by the Prophet Nehemias.

And still, by a vote of 56 to 18, the omniscient Senate of the United States refuses, under the leadership of Carter Glass, to entertain any consideration aimed at removing this menace !

Of course, he and his supporters are ably seconded by many financial institutions in our midst. For this, they have their personal reasons—devastating and disconcerting reasons which you have not thought of : First, by accepting currency in payment of the bonds,

the bankers and the bondholders would be compelled to invest in American property and industry. And secondly, these financiers who are opposing such a measure are playing hand in glove with the foreign debtor nations, hoping *first* to have our government make a readjustment or partial cancelation of these foreign debts ; and *then* in 1934 or late in 1933 to permit a revaluation or normalization of debt cut. This, so they think, is the only way possible to collect the private debts owed by foreign governments and individuals to these bankers. But in the meantime, let American people suffer while the bankers play financial politics at the price of our misery !

Do you realize, my friends, that in the banks of this nation the American people have on deposit approximately \$45-billion ? Do you realize that these banks altogether have not more than \$800-million of actual currency in their vaults ? In other words, they have only one-sixtieth of the money on hand which you deposited with them. This is the information made known to us in the pages of the *Congressional Record* for Jan. 24, 1933.

Of course, they have Government Bonds at par value, and municipal bonds, railroad and insurance bonds not at par value. Of course, their vaults are filled with first mortgages and with notes payable, all of which have depreciated. But from whom could these bankers expect to redeem in actual currency their bonds and their stocks and their notes to pay the American people who have deposited \$45-billion with them ?

If the patient people of this nation have lost confidence in a Government whose Congress, according to the Constitution, has the right to coin and to regulate the value of money, and if the right, therefore the duty—a duty that they have tabled and side-tracked and refused to perform—if they have lost confidence, it is because this Congress has not only NOT exercised its duty, but now has gone on record with a resolution to discuss the normalization of the American dollar nevermore !

That is a most serious situation. It means that hardly a single bank in this country dares to lend a sizable sum of money over a period of more than a few days. It means that business is stagnant. It means that profits are a thing of the past. It means that debts must increase. It means that foreclosures and confiscations must continue. It means that our great industrial plants with their huge investments are seriously crippled.

How long can the banks of this nation survive if this famine of currency money continues ?

There are approximately 19,000 banking institutions within the boundaries of our country. In the year ending June 30th deposits to the amount of 11,500,000,000 were withdrawn from them. One more such critical year and it would require twenty Reconstruction Finance Corporations to keep open the doors even of the 42 banks of this country which hold 32 per cent of all its deposits or of the 195 banks which hold 47 per cent of the nation's deposits.

I quote these astounding figures as a basis of argument against the mighty financial institutions of this nation who maintain so vigorously that we require no normalization of our currency, and yet who should be the first to recommend it if they desire salvation.

IV

The people are learning quickly.

The farmers of this nation realize that once before in our history we have had normalization of our currency. They realize that the Federal Reserve policy put into effect in 1920 deflated agriculture \$32-billion—\$18-billion of it in land values and the balance of it on the crops of 1920 and 1921.

Nineteen hundred and twenty was the year when we had the largest volume of money in circulation. It was the year when the dollar reached its lowest buying power. In fact at that date a dollar was worth only 64 cents.

Here is the story : Those were the days when the owners of Government Bonds were dissatisfied with the purchasing power of the dollar.

Thus, beginning with 1921 the bondholders and the financial powers of this country took out of circulation more than \$100-million every month for seventeen months with the result that the buying power of the dollar increased. By the year 1926 the dollar became worth 100 cents.

Had their program of inflation been concluded in the year 1926 there would have been no complaint. It would have succeeded only in normalizing the dollar. But by 1929 the dollar became worth \$1.05. In 1930 it increased to \$1.15. And in 1932 it reached the price of \$1.54. Today your dollar is conservatively worth \$1.60. Today, therefore, we are suffering from a dishonest dollar !

As far as the farmer is concerned, the United States Department of Labor informs us that the dollar is approximately worth \$2.03 in farm commodities. In other words due to the inflation of the dollar, the farmers of this nation are paying \$203.00 for every 100.00 worth of taxes they owe, for every \$100.00 on the mortgage which they owe. It also means that their 5 per cent interest has doubled to 10 per cent.

There, my friends, is a real demonstration of what inflation means. To reduce the 203 cent dollar to a 100 cent dollar by the issuance of the currency money which has been taken out of circulation and sunk in bonds is what we mean by the normalization of the dollar.

But we are told that we must not tamper with the fictitious value of gold.

Now, when the dollar was equivalent to 60 cents or thereabouts, I remember how the bondholders and the influential public utilities who had contracts to sell light and power for so much per kilowatt ; to carry passengers on street railways and on steam railways for so much either per ride or per mile—when these contracts were working to the disadvantage of the owners of street railways and public utilities, what happened ?

Bondholders and bankers approached the Supreme Court to have these contracts nullified on the grounds, to put it in plain English, that if the said contracts were maintained no profit would accrue either to the bondholders or to the public utilities themselves.

What did the Supreme Court decide when this case was presented to them ? It said that the contracts made between the general public and the public utilities were not binding. They decreed that the power to regulate can never be bartered away nor traded away.

Now when the shoe is on the other foot ; when the dollar is worth anywhere from 156 cents to 203 cents, these same gentlemen oppose its normalization through the regulation and revaluation of our currency. It was a blessed thing to regulate the value of money in 1920. But to tamper with it in 1933 becomes a financial mortal sin.

Let us not become stampeded by catch words or by obsolete phrases unscientifically spoken.

Let not the worshippers of the dishonest dollar deceive us by singing the battle hymn of sound money at one moment and then by practicing the policies of brigands at the next.

Sound money, as far as an American is concerned, means 100 cents in one dollar, not 160, not 203, but 100 cents. Unsound money is that which exists today and which cannot be ousted from our midst until the formula of the ages is readopted—1 to $2\frac{1}{2}$ to 12. Otherwise your money is as carbolic acid is to water. Today it is 1 to $1\frac{1}{3}$ to 117.

Just yesterday Sir Reginald McKenna, perhaps, the greatest living economist and banker in Great Britain, has gone on record as stating :

“ Controlled inflation, from being a remedy of fools or knaves, has become widely regarded as the best solution of our troubles, since it has become realized that a substantial rise in wholesale prices need have no more than a slight effect upon the cost of living.”

It is the only sensible way and logical way to reevaluate our gold ounce. And without revaluation there is only one thing left—at least three months ago there was only one thing left—and that was repudiation.

Are you not apprized of what is happening in Iowa, in Illinois, in Ohio, in Minnesota, in Michigan, and in the middle-west generally ? These men have rebelled against the dishonest dollar and those who attempt to use it.

Which one of you will condemn those hard thinking, hard working sons of toil from protecting their homes ; from rising in revolution, if you like against the iniquities of a law and man-made contracts that under present circumstances have proven themselves immoral, unsound, unchristian and un-American ?

More power to those farmers ! They still retain that spirit of independence, that love of liberty, and that determination for fair play and justice which characterized the patriots of 1776 who for a lesser reason rose up in mighty indignation against a system of taxation that was not half so iniquitous as this system of exploitation which stamps the financial structure of our present life.

The precedent of the Supreme Court of the United States is on the side of the farmers. The fundamentals of the moral law of God support them.

We have had enough of evictions. We have been surfeited with confiscations. We have been scourged long enough at the pillar of obsolete contracts and mortgages.

And the law of self-preservation, the first law that God gave to man and which ante-dates any man-made law, comes rushing with its support to the farmers in their righteous struggle.

A month ago or more we were satisfied with announcing the slogan of "*revaluation or repudiation.*" But within a few months from today that slogan will be changed to "*revaluation or revolution*" simply because the American people refuse to pay their debts with dishonest dollars.

Let me read you an editorial which appeared in "*The New York World Telegram*" dated Thursday, January 26th. It, too, is entitled "*Workers on the March.*" It reads as follows :

“ When President Green of the conservative American Federation of Labor declares that his legion of 2,500,000 unionists ‘soon will be on the march’ for ‘perhaps such a battle as no labor movement has fought before’ the government and business leaders of the country must listen.

“ When President Edward O’Neal, of the even more conservative American Farm Bureau Federation, says :—‘Unless something is done for the American farmer we will have revolution in the countryside in less

than twelve months' the government and business leaders of the country cannot ignore, the warning.

“ Yesterday both of these spokesmen of the toilers of the city and the farm unfurled their battle flags.

“ When, last fall, Mr. Green on the federation's convention platform in Cincinnati threatened the use of 'forceful methods' in achieving the thirty-hour week and higher wages, his words had an ominous sound. Criticism broke forth. Censure did not drive him to cover, for in an interview in Nation's Business, organ of the United States Chamber of Commerce, he repeats that he meant what he said and more.

“ ‘We shall,’ he said, ‘fight with every legitimate weapon at our command to restore the kind of America in which a man can have a chance in his own right. There has been a fear that we are in earnest. Let me use this opportunity to double rivet the assurance that we are in earnest.’

“ American labor, he explains, has not gone wild ; it simply has come to what it is ‘determined shall be the end of the road of suffering.’

“ The significance of this defiant note is not that there is a new Mr. Green speaking. It is that a new union labor is speaking. Mr. Green never has marched ahead of his rank and file. That he now speaks militantly, desperately, shows that he has been forced by his members to do so.

“ The same is true of Mr. O’Neal and his farmers.

“ These warnings are not bluff. Behind them is the explosive desperation of a vast majority of American citizens.”

If that is not enough to disturb the smug complacency of individuals who think that man-made laws and man-made contracts take precedence over God's laws and God's contracts, we have come into desperate days.

You dare not impose more taxes upon a people whose back already has been bowed to mother earth. You dare not permit to continue the starvation and the suffering, the unemployment and the distress which is so universal in a country that is teeming with the real wealth of the soil, the real wealth of industry and the real wealth of manhood.

Cease prating of what happened to Germany when that nation had recourse to the printing press to flood its country with worthless marks. Germany and the United States are poles apart. Germany had no gold upon which to predicate the printing of its worthless paper money. America has more gold than all Europe put together ; possesses so much gold that her currency money today is at least one and one-half times short of what it should be according to the Federal Reserve Act passed in 1918.

Who is unconstitutional ? Who is illegal ? Those who seek redress through revaluation or normalization, or those who, to build up their argument's to, perpetuate oppression, twist truth and deform facts to suit their purpose ?

VI

My fellow Americans, you are being victimized by misinformation which flows like poison into your arteries from the hearts of those who blindly cling to the presumed inviolability of bonds and contracts and deified gold. Once more human life and human rights are being conscripted on the battle front of depression to become food and fodder for the protection of a financial formula that is unscientific, unchristian and inhuman.

All that the prophet Nehemias said of old can be assigned to the scrap heap or to the gutter. All that Christ said, too, can be given to the gods of war as useless and poetic because man's way has become more superior and more expedient than God's.

Perhaps the United States Senate can table any resolution that aims at inflation, as they call it, but it cannot eradicate the determination from the minds of the American public who today are aroused to demand justice instead of impudence from their duly elected representatives.

In bestowing life upon the creature man, Almighty God likewise bestowed upon him the right to sustain his life by the sweat of his brow. The omniscient Creator conferred upon no man or upon no group of men the license to exploit, to starve or to curtail unjustly the efforts of an individual much less the activities of the agricultural and laboring class of a nation for selfish purposes.

The laborer is worthy of his hire. And the people of this country have a right to the products of this country. That right cannot be taken away from them by the obstruction of a man-made law of antiquated gold. It is the first duty of this or any other Government to erect laws and statues which will render possible and feasible the employment of every individual citizen who is honest enough to work. That is the business of every state.

That is Catholic doctrine—not socialism, not radicalism.

That is a doctrine that was born in the crib of Bethlehem and was sealed with the ruddy drops of Christ's blood upon the cross of Calvary long before Karl Marx and his atheism ever attempted to gain the leadership of an injured people, and long before any act of Congress decided once and for all that gold is wealth, that gold has a certain value, while men and things that sustain their lives are valueless.

Driving Out the Money Changers

Charles E. Coughlin

THE SUICIDE OF CAPITALISM

Last Sunday I had occasion to quote a passage from the Old Testament relative to the existence of war bonds and usury.

To refresh your memories the Scripture was taken from the second Book of Esdras. The prophet Nehemias is addressing himself to the nobles and magistrates of Israel.

In no mild terms he rebukes them vigorously because they persisted in profiteering upon the misery of their countrymen who had just emerged from a war.

He said : “*And I was exceedingly angry when I heard their cries*” (meaning the cries of the people). “*And my heart thought with myself ; and I rebuked the nobles and magistrates and said to them : ‘Do you every one exact usury of your brethren ?’ And I gathered together a great assembly against them. And I said to them : ‘The thing you do is not good. . . .’*”

Now, it is generally upheld in modern America that it is sound and legitimate for our Federal Government to issue Liberty Bonds and similar war bonds to those who can afford to buy them. They are tax free. They are interest bearing. Thus they are lucrative to those who can afford to buy them. But in their analysis it means that the laboring and the farming class of America are bound to pay interest to their wealthier fellow citizens for the privilege of having fought and bled in the last destructive commercial war. In its logical analysis it further means that the wealthy class of our country, or rather those able to purchase such war bonds have invested in the destructive debts incurred by their fellow citizens.

At the outset, may I draw to your attention the point which I have been stressing so insistently, namely, that we are engaged in dealing with each other in dishonest dollars, which our Federal Bureau of Statistics admits are equivalent anywhere from 163 to 203 cents in every dollar.

I have been pointing out to this audience that we are suffering from a famine of currency money ; that our real currency has gone into hiding ; has been traded for bonds ; and has brought about a condition of affairs where we are starving in the midst of plenty. Here is proof, then, that the fundamental law of supply and demand upon which

economists are eternally harping has been sunk beneath the quicksands of indecision and unintelligence. Starving in the midst of plenty !

The problem, therefore, which immediately confronts us is to restore currency money to our fellow citizens—not directly, not through any Bolshevik method, but through the channels of trade and commerce, of industry and of agriculture ; to restore it so that supply and demand can operate. This is the natural channel of restoration. Unnatural means such as trying to borrow ourselves out of debt are unsound and fraught with disaster.

To solve this problem I advocated recalling these interest bearing war bonds ; to pay off their present holders in non-interest bearing currency which would soon find its way into circulation and also save us approximately \$400-million per year in taxation.

To this proposal considerable opposition was aroused because it was said my argument was based upon an obsolete doctrine of religion.

I was not so much surprised as one might suspect to discover this attitude among a group of men who conscientiously believe that the practices of religion should find no place outside the walls of a church or perhaps beside the hearth of a home.

For we have long grown accustomed to the modern financial policies which have divorced themselves from Christian charity and, therefore, from the less important teachings of the Master.

But I was greatly surprised when the conclusion was forced upon me that many of our modern bankers and economists failed to understand and to comprehend both the essence and the nature of usury and interest even from an intellectual and rational standpoint.

I fear too many men have succeeded in getting themselves appointed to the chair of bank presidents and to the board of financial directors who were better equipped to manage affairs where less learning, less education and less thoughtfulness are required.

This conclusion has been forced upon us in the last two years. And because of this the American public has lost confidence in a leadership which is well characterized by the biblical expression of "*the blind leading the blind.*"

Before confidence can be restored—and our whole financial structure is built upon that one word of confidence—those engaged in the banking profession had better revise the personnel of their staffs and establish at least a primary school of economics within the halls where directors meet to manage the financial affairs of a nation.

If you will bear with me, I shall try to advance an argument from reason to advocate the recalling of interest bearing war bonds. It is an argument based upon the nature of capitalism and upon the principles underlying interest.

Abstract and dry as it may appear, I am of the opinion that every citizen should acquaint himself with it.

But, before endeavoring to explain the principle which underlies the practice of renting out money for gain, let me rehearse briefly the attitude of the ancient world towards interest. I shall do this only with the hope of elucidating the major cause of our present chaotic condition ; only with the hope of pointing out specifically what immediate and scientific procedure must be taken if we seriously entertain any thought of removing the dire economic effects which we are experiencing and which, if allowed to continue, will shortly destroy our system of capitalism.

II

It is true that throughout the Bible the word “usury” is synonymous with the word “*interest*”. This identification of the two terms resulted from the fact that in ancient times money was not regarded as being something fruitful, as something which could generate profits in the same way that a grain of wheat buried in the bosom of the earth could generate and multiply other grains of wheat.

Despite this ancient concept of money we discover, however, that about the year 2000 B.C. the practice of charging usury became common amongst the Babylonians. The interest charged by these people sometimes attained the rate of $33\frac{1}{3}$ per cent.

To the credit of the Babylonians, their great lawmaker, Hammurabi, outlawed this piratical practice.

In Egypt the custom of charging interest became prevalent about the year 718 B.C. and remained one of their pampered theories of civilization until eventually that nation was subjugated by the Romans.

Remembering that the Jewish people had been led captive into Egypt, it is easy to comprehend how the progeny of Father Abraham readily acquired the evil habit of dealing in usury.

But if you open your Old Testament you will read in the Book of Exodus, the twenty-second chapter, in the Book of Leviticus, the twenty-fifth chapter, and in Deuteronomy, the twenty-third chapter—you will read that the practice of charging interest was regarded as immoral and unsound.

In fact you will find that this economic principle, namely, that money in itself was not fruitful and therefore interest charged on money must not be tolerated—you will find that

this economic principle was upheld by the prophets and the kings of Israel and Judea who were very open in their condemnation of usury whenever it appeared.

Thus, in this brief review of the early history of usury and interest it is sufficient to remind this audience that the exaction of money for the hire of money was a pagan custom.

Wherever religion flourished, we find that its leaders always took up afresh the campaign against usury. This was true for at least twenty-five uninterrupted centuries of the Jewish and Christian history.

While the Greek and Roman philosophers theoretically condemned usury or interest ; while in the year 412 B.C. it was Abolished by a plebiscite in Rome, yet we find its practice flourishing in the days of the Caesars.

No wonder the great historian of Rome has exclaimed that the system of slavery wedded to the practice of usury planted the seeds of decay which ruined the ancient world.

III

Up to this moment I have been speaking of what took place in the ancient world in order to give us a clearer background on the question of modern interest.

Bear in mind that usury and interest for the ancients were identical terms for the simple ; single reason that money was considered as something non-productive.

In modern times money is no longer considered non-productive.

In modern times there is an essential distinction between usury and interest. This distinction arises, if I may bore you with repetitions, from the capitalistic consideration that money is now productive. Please remember that word. Money is productive !

Of course, everyone who is interested in the history of banking or in the history of economics well understands that the Catholic Church for twenty uninterrupted centuries has fought relentlessly against usury. The Church adopted this attitude not only because it was fortified by the many texts of Scripture to which I have just alluded, but because reason itself dictated that no gain may be morally had from a non-productive thing.

Today the Church has not ceased its opposition to this unscientific and destructive usury any more than it has withdrawn its opposition to adultery or to murder.

But with the birth of capitalism, scarcely more than one hundred and twenty-five years ago, theologians, philosophers, economists and scientists began to distinguish between the two words “*usury*” and “*interest*”. The distinction was not one of conventionality. It was one based upon fact ; founded upon the nature of things.

Money began to assume a new role in the affairs of life. While it was still regarded only as a medium of exchange ; while it was never looked upon as a medium of control, nevertheless, it appeared evident from the nature of the new structure called capitalism that money began to be fruitful, to be productive.

In the past, expenses of government had been conducted through the medium of taxation. Portions of wheat, of oil, of wine were exacted by the feudal lords from their tenants. Taxation was levied on the *actual possessions* of the citizens. Wars were fought, universities were built, cathedrals were erected, roads were paved, all at the expense of the *present* wealth of the country. Seldom was its *future* wealth ever thought of much less employed.

Perhaps this “*pay as you go*” method was accountable for the relatively slow progress achieved by our ancestors.

However, the system of capitalism under which we live today was partly predicated upon the theory that now it is possible for the present generation to expand, to build highways and railroads, to cultivate limitless acres of land, to erect churches and shrines of learning, to accomplish a multitude of things in the name of progress mostly at the expense of future generations. Do you get the difference ? Formerly it was present money, actual money. Today it is future money, rented money.

Money, therefore, becomes not only the medium of exchange. It also becomes the ambassador of future wealth. It represents the labor to be expended by the future generation borrowed by the present generation. It presupposes that we of today can use the unborn things of tomorrow—the wheat that is to be grown next year in our fields, the dwelling house which we are unable to pay for today but which we would be able to pay for ten years hence. Now, instead of waiting for next year’s crop to grow ; instead of suffering from inconvenience within the walls of a cabin until such labor could have been expended to erect a modern dwelling, capitalism devised a system of progress and of credit and of prosperity by which the present generation can enjoy at least part of the benefits of the future ; by which a young man need not wait necessarily for old age before he can establish himself in comfort.

Capitalism was a new scientific advance. The nature of money underwent a change. Without capitalism and its power to borrow upon the future where would be such tremendous blessings as the Panama Canal, as our mighty railroads, as our paved highways, as our sanitary cities, as our modern dwellings, as those myriad things which we have called into being through our system of credit, through our confidence in the future both of which are identified with this thing called capitalism ?

If we borrow the labor from the future ; and if the laborer is worthy of his hire, then interest money becomes the wage which we owe the future.

The “*pay as you go*” policy in ages gone by has been superseded by the “*pay as they come due*” policy in the age of the present.

In a word, the principal article of the faith of the capitalist is predicated upon the theory of debt, lending and borrowing against the future for productive purposes. I hope I have made that plain.

In this theory there is nothing immoral, nothing unsound. Likely it is the best theory that has been advanced for financial purposes.

The Christian Church was quick to realize what had happened. She was just as quick to distinguish between usury and interest—usury which is identified with sterility and non-productivity ; and interest which is associated with fecundity and progress.

I know this is frightfully abstract. But, it is tremendously important to the citizens of this country to comprehend the principles which I am about to lay down.

My friends, the vulgar notion identified with usury is only a half-truth. Most men, and perhaps not a few bankers as well as statesmen in this as in other nations, are of the improper opinion that usury merely means an overcharge of interest. I restate that such a notion is only a half-truth, because usury is substantially related to the lending of money for gain on some project which is non-productive. Of old money could not breed money because it was merely the medium of exchange.

Today money can breed money because it is not only the medium of exchange, it is also the ambassador of future wealth, of future crops, of future labor, which we of the present pledge to repay ; use and promise not to destroy.

I feel that I am risking much in dealing with this dry as dust discussion. But it is a risk well taken for I fear that unless we understand the true nature of capitalism, which during the last few years has gone on a financial spree, we are liable to fall into the error that to cure the headache which has followed on the morning after, we had better employ the services of a surgeon to cut it off and replace it with the block-head of Communism.

Then the Scriptural text which tells us that “*the last state of this man will be worse than the first*” will be quoted with much fervor.

My only aim is to invite capitalism and those who control its destiny to use the structure which our forefathers have builded for us ; to cease abusing it before the same philosophy which predominated in the minds of well-intentioned prohibitionists regarding the use and abuse of wine and spirituous liquors shall once more crop up in our midst with dire results.

But let us return to our subject.

Now that money is fruitful, it becomes evident that it is just and ethical for the lender of money to be repaid for his services, as it was of old for the farmer who loaned his neighbor a bushel of seed to be repaid not only with the seed with which he accommodated his neighbor but also with a small measure of the fruitful crop which sprang from it.

In other words, interest is associated with loaning money for some productive enterprise—for building a factory designed to produce either the necessities or luxuries of life, for constructing railroads, for making possible tremendous public improvements, for accomplishing all the magnificent things which have marked the progress of this last one hundred and twenty-five years. Usury, however, is identified with exploitation, with injustice, with the rental of money for non-productive enterprises.

May I emphasize that word “productivity”. It is essentially associated with the morality of lending money at interest. It is essentially related to the principle expressed by the prophet of old in his condemnation of usury, to the teachings of the Christian Church for twenty centuries, and to the sound principles of capitalism and political economy which should exist today.

I trust that I have made the principle plain. It is the same today as in the beginning. It must be the same tomorrow if our system hopes to endure. Whatever is productive can continue gaining for its owner even though absent from its owner's hands. Such is money which is now considered not only as the medium of exchange but as the ambassador of future wealth.

These propositions are valid independent of the particular order which exists, be it the Mosaic Law, be it early Christian law, be it the law of feudalism, or be it the law of capitalism.

These principles were valid when the Church laid its veto on usury.

IV

But what has happened to capitalism during these last one hundred and twenty-five years or so?

Why have I entitled this discourse "*The Suicide of Capitalism*"?

The answer is brief. From the days of the Napoleonic Wars until our own day we have persistently and legally abused interest. We have been guilty of loaning money for non-productive enterprises.

It is a notorious fact that the Rothschilds clinging to the Egyptian heresy, disparaging the teachings of their forebears, despising the precepts of their great leader, Moses, mocking the doctrines of the Talmud and the precepts of the Old Testament, these Rothschilds re-established in modern capitalistic life the pagan principle of charging interest on non-productive, or destructive debts. Under the flag of their leadership there assembled the international bankers of the world who first forsook the principle of gaining interest through productive loans and adopted the heresy of loaning money at interest for destructive purposes. The horrible, hated word spelled "W-A-R" was the secret of their success.

Practically every war since the birth of Capitalism has been a destructive war. The wealth of a nation has either been sunk in ships at sea or buried in bullets in the soil of battlefields. Farms destroyed, cities razed, churches mutilated, industry diverted into false channels of activity, lives sacrificed ! This has been the gruesome record of most wars since the birthday of capitalism.

The Napoleonic Wars, for the most part, as well as the Great War, both absolutely non-productive and destructive, were fought on the basis of bonds and of reparations payable in gold for interest.

Are you not aware that the destructive war which bears the ignominious name of "Great" was organized and fought on gold interest bearing bonds ? Need I rehearse for you again that due to that Great War we have issued among our own people approximately \$12-billion of debt money payable in gold to heal its economic wounds ?

That, my friends, is the greatest modern abuse to which interest has ever been put. That has been the greatest mistake capitalism has ever made. That is usury. In the words of the prophet Nehemias, "*That is not good.*" In the mind of every sound economist that is a disastrous thing.

Here we have billions and billions of dollars represented by bonds-interest bearing bonds—which are held by the banks and the wealthy individuals of our nation. For these bonds bearing interest, we, the people—the farmers, the laborers and the unemployed—must pay tribute to our own fellow citizens for a purpose that was non-productive ; for the privilege of having speeded up our factories, drained our fields, sacrificed our young men on an altar of destruction.

For having entered so fool-hardily into this spree of spending, of wasting, of destroying, we have accumulated tremendous debts which are rendered more immoral because to these debts there is attached interest ; because on these debts we have squandered the productive labors of the future. We have stolen from the future rather than borrowed from it—the future with its wealth that may only be used for productive purposes.

I trust that you are patient with this abstract discussion. It is necessary, my fellow citizens, that you spur your intellects to that point of comprehending where you can grasp and understand what it is my privilege to tell you. It was not taught to you in your school days and it will not be printed in your newspapers.

Whether you dwell in an humble farm house ; whether you are a renter or a home owner in a city ; whether you sit at ease in your club or in your hotel, you cannot afford to be ignorant of these philosophic facts.

The future salvation of our nation and the continuance of the existence of the system of capitalism depend upon how well we shall grasp this principle and put it into practice.

To quote from a book entitled "*The Twelfth Hour of Capitalism*" written by the learned Kuno Renatus, we find expressed the ideas which I have been stressing for the last few Sundays. He says :

"Relatively young as capitalism still is, it has already entirely forgotten the conditional nature of the law of productivity on which its whole system rests. 'Thou shalt only incur debts for productive purposes.' "

Capitalism has been false to itself.

Well have the international bankers of the world learned by rote the heresy which was re-established by the Rothschilds in the early nineteenth century.

While they have succeeded in concentrating wealth in the hands of a few, this concentration of wealth was an immoral effect produced by an immoral cause. And the cause was the issuing of bonds and the charging of interest on non-productive debts.

Once more I am constrained to quote for you the proof to substantiate this statement. It is "*The Hazard Circular*" which originates from the Rothschilds of London in the year 1862 while we were engaged in the Civil War. It reads as follows :

"Slavery is likely to be abolished by the war-power, and the chattel slavery destroyed. This, I and my European friends are in favor of, for slavery is but the owning of labor and carries with it the care for the laborer, while the European plan, led on by England, is for capital to control labor by controlling the wages. This can be done by controlling the money. The great debt that capitalists will see to it is made out of the war, must be used as a basis to control the volume of money. To accomplish this, bonds must be used as a banking basis. It will not do to allow the greenback, as it is called, to circulate as money any length of time, as we cannot control that."

There you have it, my friends ! Bonds, debts and interest charged on unproductive enterprises ! You have it in their own confession.

Unproductive debts !

It was the same policy pursued by the international bankers who just a few years ago like sirens played their treacherous symphony of pretended patriotism upon the organ of American hearts while they sold us interest bearing bonds for destructive purposes. And we in America went mad to buy Liberty Bonds. God bless the word ! They should have been called “slavery bonds” !

Today the seemingly erudite bankers of our country have forgotten the very essence and substance which surrounds the nature of interest. They have misconstrued the very fundamentals of their own system of capitalism to such a degree that they erroneously think that whenever money is loaned it must bear interest. They have failed to distinguish between a productive loan and a destructive loan.

If this principle were thoroughly understood by the it would accomplish more in wiping the curse of war from the face of the earth than all their peace conferences and haphazard Leagues of Nations combined.

No wonder that financiers find themselves, in the words of Montague Norman : *“To have reached such a pass in the condition of human affairs that we know not where to turn.”*

This condition has eventuated because unlearned man, into whose hands had fallen the guidance of the system of capitalism, misunderstood and mismanaged the child of their own devisals, preferring to follow the mandates of a group of international bandits who, careless of the peace and tranquillity of the world in which they live, preferred to amass personal gain at the expense of universal suffering.

Now that the world, and especially America, is beginning to reap the furor of the whirlwind, we seem incapable of stemming the cause of our misery.

Especially for the last four years we have listened to leaders whose only suggestions were centered around increasing taxation, lowering wages, instituting moratoria, beating down prices. These are the childish suggestions which rush to their minds when forgetful of the law of compensation and unmindful of the repercussions of injured justice they refuse to admit the obvious thing, and blind themselves to the unfathomable canyon of unproductive debts into which they are hastening unto their own destruction.

Professor James Mavor, the eminent economist at Toronto University some years ago, once remarked that every war since the days of Napoleon tends to destroy capitalism.

The background for this remark, of course, is identified with the destructivity, the waste, the ruin, the unproductiveness which result from war.

Where are the monarchies which existed in 1914 ?

Spain is regulated by a Socialist Government and so is Portugal. There is a Socialist premier of France ; a Socialist premier of England.

Italy has its Mussolini with his Fascism. Hitler sits in the saddle of German authority. Stalin has driven Russia to the extreme of Bolshevism. Our neighbor, Mexico, has gone Communist. Almost two-thirds of the white race has divorced itself from capitalism.

Are we not conscious of the trend of the times when before our very eyes the political complexion of Europe has been changed over night ?

And has the sagacity of our financial world been so obtuse that it cannot comprehend the cause of this upheaval ?

Is it not attributable more to the immorality, to the unscientific polity of piling debt upon debt with interest bearing bonds for purposes of destruction ?

Oh, that the financiers and economists of this nation would interest themselves in the analysis of this entire situation by reading the 1931 edition of "*The Twelfth Hour of Capitalism*" by Kuno Renatus who is attempting to defend this system against its own suicidal proclivities !

Ladies and gentlemen, we are somewhat fearful of the radical Communists who prate their doctrines of atheism from the pulpit of their soap boxes.

But we are more fearful of those radicals who sit in the seats of the mighty ; radicals who despise the fundamental science of their own system have waxed fat under capitalism and are now bent upon killing the goose that lays the golden eggs.

I repeat, we are fearful of them who, perhaps, in their ignorance as well as in their arrogance, clothe with linen and fine purple a body of festered philosophy which ultimately is destined to self-destruction. And by the linen and fine purple I mean the paid propaganda of dressed up ignorance which spreads itself upon the pages of too many magazines and newspapers.

I am speaking as no prophet but as one who, at least, is schooled in the fundamental science of political economy and in the history of usury and interest ; I am speaking as one who is sufficiently conversant with the facts existing about us to warn this nation that if it persists in maintaining the immorality of its blood bonds and unsound national war debts, there is only one inevitable outcome. It is the suicide of capitalism, the birth of Socialism or worse.

Capitalism is on the straight road to ruin, not due to the Socialists, not due to the Communists, but due to itself. It has turned the routine of production into destruction. As to that there is no doubt.

The croakings of Communists who would like to begin digging its grave are by no means premature in their rejoicings. Like a monk in the Trappist Monastery capitalism is daily digging its own grave.

The clock points to five minutes to twelve. Only a rapid decision can now save capitalism from itself.

Already capitalism, beginning to find no further opportunity for investment that offers security against loss, can think of nothing better to do with its income than to invest it in the destructiveness of war debts.

As Disraeli said years ago in England : “*A country that invests in its war debts is a country decayed.*”

May I take this opportunity to publicly applaud those industrialists of our nation who have invested their fortunes in factories and in mills rather than in blood bonds. Of them be it said that they have risked their all in the future of our country. Of the others be it noted they have risked nothing, but like leeches have invested in the blood money of its misery.

Of old I remember that Cato, that noble Roman Senator, was accustomed every time he ascended the rostrum to conclude his speeches with “*Carthago delenda est—Carthage must be destroyed.*” Today we shall keep incessantly repeating that war bonds must be eliminated. To them do we attribute the famine of currency money. By them have been attracted the billions of dollars of this country’s capital from the fortunes of men who have lost faith in our prosperity. They have invested in loss rather than in gain. They have diced with death rather than with life.

Oh, there is patriotism for you—patriotism that sells our country short, patriotism that waxes fat upon poverty and destructive debt, patriotism, I suppose, that presumes that its bonds will be honored by a people who have been awakened to the perilous situation in which we find ourselves, and to the diabolical machinations of a group of international bankers whose object is to build up immense fortunes by controlling the wealth of a country at the expense of its war bond issues. So true is this today that our Federal Government is actually borrowing money from the banks which hold \$6-billion of war bonds—borrowing money from the banks to pay them back the interest it owes them on the bonds.

Call this Christianity if you will, or despise it as the utterance of an agitated mind. But history will inevitably repeat itself.

What has happened to Europe but yesterday cannot be escaped by America tomorrow.

It is apposite for every American despite his creed or his political allegiance to stand four-square back of our courageous President-elect who knowing the secret of capitalism, and fully cognizant that it can only exist if predicated upon productive debts is willing to spend billions of dollars, if necessary, upon the development of Muscle Shoals where a new empire shall have its birth, a new land shall be reclaimed, a new liberty established.

Once more let us rid ourselves of this cursed famine of currency money which blights our progress and which multiplies starvation. Call it not inflation for that is a lie. Term it not cheap money for that is a falsity. Belittle it not, for if you care to argue, argue with the truth. Unless currency money can be re-circulated and unless we can bring back 100 cents in every dollar, there is little hope for the continued existence of the financial institutions or for our own prosperity.

In conclusion I appeal to the financial leaders of this nation to study the structure upon which their capitalism has been built ; to operate it according to the laws of reason and of justice ; and to desist from an activity which preceded the downfall of Babylon, of Egypt, of Rome, and which has been condemned by all the intelligence of the ages.

It is not that I would harm your banks ; it is not that I would harm any of you with such a public statement. My friends, I would save you from yourselves—from the suicide of capitalism.

Driving Out the Money Changers

Charles E. Coughlin

THE SALVATION OF CAPITALISM

Standing upon the shore of life's tempestuous sea, I have beheld through the mariner's glass of history many political ships battered to pieces by the winds of passion and of greed. Thus, I am too much of a realist to subscribe to any optimistic theory that our capitalistic democracy can escape the inevitable reefs of destruction unless it envisions the wreckage which time has strewn before it and then guides its course along the waters of the channel charted for it by the Great Mariner of Eternity

In last Sunday's discourse I pointed out that capitalism must withdraw from its practice of usury or from hiring out money for unproductive and destructive purposes. This is only one of the imminent dangers which threatens its existence.

Today, may I weave together a few thoughts relative to the salvation of Capitalism. May I counteract a few current practices which are tending to destroy capitalism from within.

II

Possessed of a flourishing faith our forebears devised ways and means of borrowing from the future to expand the present. In a short space of one hundred and fifty years, with scarcely any money at their disposal, both they and we have accomplished more for America than did our European ancestors in the past fifteen hundred years accomplish for their native lands. Future historians well may marvel at the progress and prosperity which have marked the brilliant career of the nineteenth and early twentieth centuries. Let them tell the story of the railroads whose pathways of steel have supplanted the trail of moose and deer. Let them picture how forests have become cities teeming with culture and industry, or recount the epic of the motor car, the airplane or the radio. But these mighty accomplishments pale into insignificance compared to the mutual faith which we, the citizens of this nation, placed in each other. It was this mutual confidence which was responsible for our magnificent development. It was this basic fundamental virtue of capitalism without which we could not have had our railroads and our development.

But evil days seem to have come upon capitalism—an economic system based upon mutual trust and confidence—as once evil days overshadowed Christianity—a religion builded upon mutual love.

In the early ages of Christianity pagans were accustomed to marvel at the love of those who chose to follow the teachings of Jesus Christ. “*See how they love one another*”, was the universal observation. And in future days it shall be said of our dying generation : “*See how they trusted one another.*”

The universal love of Christians for one another would have endured throughout the centuries had their leaders remained faithful. Bloodshed, the desecration of the Thirty Years War, the bigotry and the mad antipathies which since have so often characterized the followers of Christ would not have come into being except through the doorway of internal abuses.

Nor would Communism or Socialism, strikes or discontent and above all a break-down of confidence have confronted us today had capitalism remained faithful to this fundamental principle upon which it was established.

My friends, that is why I am not afraid in the face of ignorant, superstitious criticism to place my finger upon the cancerous sores which are gnawing away at the vitals of our economic structure ; festering sores which must be healed, before healthy confidence can be restored.

III

First, let me paint for you a verbal picture whose original has been multiplied, unfortunately, throughout our fair land. Call it, if you will, “*The Return of the Unknown Soldier.*”

I wonder what would be the reaction of the Unknown Soldier should his spirit come back to this mortal life ? He would seek out his mother and his father on the little farm where they lived. The farm is still there. The house is desolate. The porch has sunken in. The barn is empty.

He listens as the postman tells some stranger that the former dwellers in that place which was once called home went to the poor house five years ago. Now they have died of broken hearts !

Disconsolate, the Soldier hurries off to the great city where his younger brother lives. Surely there will be a vision of sunshine in Joe’s home. Joe is married. Joe has three

kiddies who would be anxious to hear about France, about Foch, about Armentieres, about the scarlet wound where death entered in—anxious to hear could he but speak !

“Yes, this is Joe’s home.”

While he pauses before the door he sees a baby hand scratching away at the window panes which are silvered with frost. There is a strange silence which hangs ominously over the entire street. The Unknown Soldier enters through the closed door, unseen, unheard !

“Why there is Joe ! But it can’t be the same little brother ! How old he has become—that fearful cough, those deep wrinkles, such shabby clothes !”

There are signs of lean poverty everywhere he looks.

Three or four dilapidated pieces of furniture, a cold bleak floor, a sickly fire sputtering in a midget stove ! And in the bedroom lies Joe’s wife, thin and wan with cheeks stained with the pearls of suffering.

“What has happened to the sunshine ?” “Where is the cheer, the laughter ?”

May I tell you, Soldier Boy, what Joe would answer if he thought that he could address you ?

Oh Soldier, Joe would tell you that he and 12-million more sufferers, jobless, hungry and desolate, are living proofs that the Great War which was fought to make the world safe for democracy, for prosperity, was a damnable, money-mad hypocrisy.

If Joe only knew that you were standing here like a Lazarus come back from the tomb, he would say :

“This is not the same America from which you sailed in 1917. Millions of farmers like mother and dad have forgotten how to smile. Millions of workmen and their families like Mary and myself and the kiddies are fighting a worse war than you and your buddies ever dreamed of.

“And why this poverty ? All because I can’t find work. Why is there no work ? Because there is no money.”

And so would dawn upon the Unknown Soldier the suspicion that perhaps he had helped make the world safe for—well, not for democracy, at any rate.

Oh, how vividly he remembers the day when he enlisted to go overseas ; remembers how on the City Hall Steps of New York a smiling movie actress sold Liberty Bonds. Billions and billions of dollars worth of them were purchased by those of us who stayed at home

while the band played “*My Country, 'tis of Thee*” when it should have been playing “*My Wall Street, 'tis of Thee*”.

“*Yes, Soldier Boy, you went to France, and fifteen years later our country went broke. The big railroads have few passengers to carry. Miles and miles of freight cars stand like ghosts upon sidings from here to San Francisco. Down in the harbor there are hundreds of ships rusting at anchor. The farmers out west can hardly give away their crops. The Darkies have ceased singing in the cotton fields. The country banks have their backs against the wall. And the big metropolitan banks and many wealthy corporations and individuals are living on the profits of more than \$12-billion worth of those war bonds, those Liberty Bonds and the like which you thought were going to help keep your dad and mother on the farm and your kid brother Joe and his family with a smile on their lips.*

“*Oh, we have been sorely distressed in America since you ‘went west.’ Billions of more dollars were borrowed from the people to help those railroads and banks. But mighty few cents have been spent to keep the wolf from the door of the factory worker or the roof over the head of the farmer.*

“*You can hardly believe it, can you ? You are trying to ask me what we are doing about it ?*

“*Why during these last four years we have been ostriches with our heads in the sand, practically refusing to admit that anything was wrong with the great United States of America.*

“*Well, really there isn’t so much wrong with the country. The people are just as good as ever. In fact they are better. But I am afraid that the word ‘democracy’ has changed its meaning since you were here last. I am afraid that it means ‘plutocracy’. Too many financial institutions prefer to invest in war bonds, in our misery, rather than in our prosperity and industry.*

“*But things are looking brighter. We have had a new deal promised to us. We are awakening to the fact that we can’t borrow ourselves out of debt ; that we can’t live on the debts of other people. We are beginning to admit that the poor people, the factory worker and the farmer cannot be expected to make the rich richer for the billions of dollars which we spent in the name of the Great War to dig ourselves into the hole of the depression.*

“*Next spring when the cherry blossoms bloom along the shore of the Potomac, when the birds sing and when little children can romp out doors in God’s sunshine and warmth, there will be school boys mingling with Senators and Congressmen and silk-hatted diplomats visiting your tomb. In their hands they will carry wreaths of flowers. On their lips there will be words of praise for your valor.*

“Buddy, I hope that within their hearts they will say an act of contrition not only for the sinfulness that cut short your life and the lives of 20-million other boys, but also for the hypocrisy which forced Joe and his fellow countrymen to suffer and hunger to preserve the sanctity of profiteering war debts—debts, which like nails, have crucified the world to the cross of gold ; debts, which like a Barabbas are preferred to the happiness and comfort of the men and women of this nation, the brothers and sisters of Jesus Christ.

“Go back to your tomb, Buddy. And as you go, look not at the mud flats of Anacostia ; for but a few months ago your more unfortunate buddies, who came back from overseas, went down there peacefully to encamp and to ask for bread or for a job. Instead of getting a job they were scorched with fire. Somebody called them the ‘B.E.F.’-the ‘Bonus Expeditionary Force’. They were too late. The other ‘B.E.F.’ got there first—the ‘Bankers’ Expeditionary Force’.”

“But as you pass by Lincoln’s monument, stop and look at his worried face which dreams in brooding bronze. Look ! And enter again into your peaceful tomb. There rest in peace ! For his immortal words shall not have been spoken in vain. This country is ‘of the people, by the people and for the people’—it was not intended to be of the few and by the few and for the few !

“Soldier Boy, I swear, you have not died in vain.”

“Rest in peace, Soldier Boy.”

“Better days are coming. While the sharp sword of winter’s piercing frost remains unsheathed, we will do our best to feed and clothe your Joe and his little family and all those who have suffered because of the “Great Mistake”.

IV

“Sentiment,” do you call this ? There is no sentiment about it. I have picturized what is really transpiring in our midst.

It is the cruellest, most destructive fact in all America.

If we are honest, we will admit it. We will admit that this picture has been reproduced twelve million times too often. We will admit that both the copies and the original of it must be destroyed if that mutual confidence upon which capitalism exists, can continue to survive and flourish.

V

Let us pass, now, from verbal pictures to prosaic facts to see if confidence is really being destroyed and if we can help restore it before it is too late.

For the past four years we have been patiently awaiting for some definite solution to be proposed as a curative for the economic and financial evils from which we are suffering.

For the past four years we have been anticipating that our national budget would be balanced and that the personal budgets of corporations and of individuals would likewise be balanced in order that prosperity can return.

The only solutions offered up to date were negative. In the face of 9-million unemployed men, it was proposed to cut wages and to cut operating costs of production. That is the way to get back prosperity ! This resulted in the increasing of unemployment to 12-million and in slowing down production 36 per cent.

Then there was an effort to meet the situation by an increase in taxation. What happened ?

Prices fell ; the budget became more unbalanced ; national and private debts became more burdensome.

Finally within the last few months came a multitude of suggestions aimed at increasing the purchasing power of the nation ; aimed at circulating more currency dollars among its citizens.

In this classification of suggestions we were advised by radicals to forsake the gold standard and by conservatives to reevaluate or normalize our gold through the recalling of the usurious bonds, which more than anything else have destroyed the practical functioning of our money system. The other policies had ended in failure. This new policy held out a fresh hope. But like everything new it was scoffed at. Like the steam engine, the motor car, the radio ! Shallow critics said it could not work.

Now when practically every person in this nation has diagnosed our economic illness as one associated with the famine of money, it is also akin to tragedy to discover so much ignorant opposition which has been marshalled like toy soldiers to oppose what inevitably must follow.

First of all, it is distressing to discover that some bankers, many Congressmen and even a few Senators have not grasped the fundamental laws associated with the word "money" or "standard of money."

Let us get this point clear : A standard of money, be it a gold standard or a silver standard or an ivory standard, must work on the same principles under the system of capitalism. It means that if the structure of money wishes to endure and function under the system of capitalism, this money first shall be divided into three parts, namely basic money ; secondly, spending money, and thirdly, borrowing money.

Capitalism demands that there be a sane extension of credit money. Civilization demands that there be a sane amount of currency money. And honesty demands that there be a sane existence of basic money.

Now, these three parts of money must be related to each other in the proper proportion: namely, 1 unit of basic money, $2\frac{1}{2}$ units of spending money and, at the most, 12 units of borrowing or credit or debt money, as you will call it.

That is what we mean by the standard of money, namely 1 to $2\frac{1}{2}$ to 12, just as we mean by the standard of measurement 1 yard equals 3 feet or 36 inches—1 to 3 to 36.

I repeat that I am amazed at the ignorance of this fundamental thought—the colossal ignorance which exists in the minds of so many ordinarily well-informed men.

Thus, if gold happens to be our basic money it certainly must exist in the proportions of 1 to $2\frac{1}{2}$ to 12. If silver happens to be our basic money it must exist in the proportions of 1 to $2\frac{1}{2}$ to 12, etc. It makes no difference what the basic money is. The proportion, the relativity of basic to spending to borrowing, that is what constitutes the standard of money.

VI

Now I am tremendously pleased with the progress this country has achieved since it has dedicated itself to regulate its finances with gold as its basic money.

More than that : I have that hope in the future to realize that since our nation is so well equipped with gold—possessing 47 per cent of the entire amount that exists in the commercial world today—I have that hope in the United States to foresee that by retaining gold as our basis of financial activities, we will be able to accomplish more in the next one hundred fifty years than was accomplished during the past one hundred fifty years provided that while we adhere to gold as our basis, we shall not forget the common standard of 1 to $2\frac{1}{2}$ to 12 upon which gold or silver or any other kind of money must operate.

Thus then, if gold happens to be valued at \$20.67 an ounce—that is not the gold standard. That valuation of gold is an accident that has no substantial relation whatsoever to the real standard of money.

May I clarify that statement by using another example : A human being is defined as a rational animal. He is an animal with a body and with a soul that is capable of thinking. That is the standard. If he happens to be a Chinaman or a Frenchman or an American ; if he happens to be 12 years old or 50 years old or 100 years old ; if he happens to be 3 feet tall or 5 feet tall or 6 feet tall ; or if he should weigh 100 or 130 or 190 pounds—these things are accidents. They do not constitute the standard of what a man is any more than the valuation of gold at \$5.00 an ounce or \$20.00 an ounce or 100.00 an ounce constitutes the gold standard.

The word gold is only an adjective which describes the substantial thing called money. And the common standard of all capitalistic money must conform to the definition of 1 basic unit to $2\frac{1}{2}$ spending units to 12 units of debt or of credit.

Thus, my friends, when we behold the financial picture which confronts us today, what is the truth of the matter ? Are we adhering to the standard, or has it been set aside ? Is capitalism preserving itself when it so openly disregards the standard of its own money ?

Here is the answer : We have $4\frac{1}{2}$ -billion units of gold money retained within our nation. We should have 11-billions of spending or currency units. We should have no more than 54-billion units of debt money. But instead we have in reality only 3-billions of spending money and 235-billions of the debt money instead of 54 billions. Somebody had upset the applecart! The debts are a fact. Christianity orders us to pay them. So does Law. So does the voice of civilization. Let us adjust the value of an ounce of gold to make possible the payment of these debts. Let us “regulate” the value of gold so that the formula of Capitalistic money can be restored 1 to $2\frac{1}{2}$ to 12 !

Thus, I am sure that this audience has sufficient intelligence to understand that those who are advocating most strenuously that we must not leave the gold standard are the very ones who have really forced us off the gold standard. Revaluating or normalizing the dollar is merely a sane attempt to restore the logical standard of money, without which capitalism cannot endure two years longer.

And what is my suggestion ? First of all, let us return to the real standard of money by a process or revaluation or restoration or normalization, whatever word you care to use. The point is, let us return to the scientific standard of money without which unemployment will not cease, industry will remain crippled, and distress shall not depart from us, and revolution shall absolutely come among us.

When this happens, blame not the Communists or the Socialists. Blame those who are impeding the restoration of the standard of money upon which capitalism can operate.

VII

Now we are confronted with certain facts which neither optimism nor wishing can remove. Action is required.

The first fact is that we have accumulated \$235-billion worth of national and private debts which either must be paid or else repudiated.

Since these debts have upset and unbalanced the scientific standard of money, what will happen ? Well, one of two things can logically happen. The first is this : By a legal process these debts will be melted down either through individuals or corporations going into bankruptcy and saying that they cannot pay them. Then the law will step in and decree the inability of the debtor to pay anything more than 10 cents on the dollar or 15 cents on the dollar. Then, the law will wipe off the books the outstanding debt, to the loss of the person or persons to whom they are owed. Or else the farmers of this nation, the householders who are paying on contract and all such similar persons will say : “*We are not going to pay our debts. Try and collect.*”

Is this not being done practically in every State in the Union today ? Is this not the repudiation of which I have been talking ?

Now, I ask you to answer this most important question :

Do not both these things which I have mentioned—bankruptcy and repudiation—do not both these things tend to destroy the confidence and the credit upon which the structure of capitalism has been built ? Do not the closed banks which in one sense have either become bankrupt or, if you care to say, have repudiated their obligations to their depositors—do not these closed banks destroy more confidence in a day than the sweet words of oratory and optimism can ever buildup in a century ? And in turn, have not the banks lost confidence in the citizens insofar as they dare not execute the customary loans ?

Because we have upset the standard of money, we have attempted to destroy confidence.

When confidence goes the structure of capitalism tumbles.

But, my friends, all this is not necessary. There is a safe way, a sane way of restoring our money standard to normalcy and thereby restoring confidence.

It is the method which can save capitalism from a certain destruction which awaits it within the next ten years. It is this : Let us reevaluate not the gold standard : that is beyond the power of any human man as much as it is beyond the power of any chemist to reevaluate the standard elements which enter into the nature of water. But let us

theoretically reevaluate the gold itself, which is only another way of saying, let us practically restore the standard of money as it should be under the system of capitalism.

As we have only approximately \$3-billion of currency money in real circulation when we should have \$11-billions of it, therefore, by legislation put forth as much more money, namely, approximately \$8-billion, into the hands and pockets and purses of our people, but through legitimate channels. What method can we use to do this ?

For the past few Sundays I have been pointing out how unintelligent, how immoral it was for us to have builded up such tremendous unproductive debts against which there are heavy interest bearing obligations.

Once more, I repeat, let us recall those war bonds and if necessary, sufficient government bonds upon which \$400-million are being paid in taxes to our Government who in turn, hands this \$400-million over to its bond holders.

Give to the banks and to the wealthy individuals who hold these bonds currency money, which bears no interest when it is idle or when it is resting in the vaults of a bank.

Then the bankers or the millionaires who hold these bonds will be forced when they receive the currency money to invest it or else pay the penalty for keeping idle money in idle vaults.

My friends, that is the most conservative, scientific and moral proposal which I can suggest. That is the practical way of reevaluating the gold ounce. That is the safe and sane way of rescuing capitalism from the enemies who dwell within its ranks.

VIII

I do not pretend that this proposal is a cure-all for the many ailments from which capitalism is suffering. But I do know that those who are arguing against the restoration of a standard of money which the war profiteers have destroyed—I do know that they refuse to face this argument but rather they content themselves with harping upon such words as "*inflation*" which no one is proposing. And in harping on it, they are surrendering the confidence which the American people have placed in public utterances. Dishonest or ignorant propaganda has overreached itself to such a degree that it is discrediting what it is hoping to save.

For instance, Mr. Walter Lippmann, who enjoys such a tremendous and well-earned reputation among the reading public of this nation, seemingly misconstrues the entire subject when he writes as follows : "*When a currency inflation gets under way the ordinary man, the small farmer, the man with a few savings, the wage-earner, the small*

business man, finds himself utterly bewildered as to what to do. He does not know how to take advantage of a wildly fluctuating currency.”

That is the opinion which he has expressed, forgetful that the wildly fluctuating currency of which he talks is that which exists today when a dollar contains 163 cents and when a farmer is forced to pay \$203.00 on his \$100.00 mortgage.

Inflation of currency only begins when the standard of money which is 1 to 2½ to 12, has been destroyed. There is no inflation in bringing things back to normal. The American people know this. They are beginning to suspect that those who oppose normalization are using unfair tactics to uphold a dishonest dollar.

Others, like Senator Reed of Pennsylvania, denounce the proposals of those who would normalize our money standard which today lies stricken and maimed upon the doorsteps of our nation, denounce it by stating that it is “*stealing from one class to help another.*”

What kind of philosophy is that ? Is the Senator not forced by logic to admit that, therefore, he wishes the continuance of the present unsound standard of money which forces us to pay 163 cents for every dollar’s worth of commodities we buy ; which forces the farmer to expend 203 cents for every dollar of debt that he owes ?

My dear Senator, the stealing is on the other side !

The present dishonest dollar buys too much labor, too much wheat, too much real estate. It is a highwayman’s dollar which robs the laborer, the farmer and the home-owner.

And again there is that third type who is opposed to the suggestions which I have here expressed. They are men who find themselves in the same category as Representative Luce of Massachusetts. These clumsy defenders of capitalism do the most harm. Because of his public radio utterances, it may, be well to answer the Congressman more at length.

IX

Last Monday evening there was a banquet held at the Waldorf-Astoria Hotel, New York City, at which were present approximately 450 of the financial leaders from Wall Street.

The real purpose for holding this banquet was to discuss whether or not it was proper to normalize our present dishonest dollar. Senators Thomas and Smith spoke at this banquet as did ex-Senator Robert L. Owen, advocating the immediate normalization of the dollar until it contains only 100 cents.

According to "*The New York Herald Tribune*", the journal partly owned by Mr. Ogden Mills, Representative Luce evidently upheld the main argument for the negative side.

By the way, Representative Luce hails from Massachusetts. He is a most erudite man, a graduate from Harvard College, a member of the bar, a Member of Congress for a period of sixteen years.

He came to argue against revaluation. Unfortunately his arguments preferred to divorce themselves from facts and figures and to center upon personalities.

Representative Luce, this most eminent defender of the present economic policy which, by the way, is known by the fruits which it bore for the last three years, turned his eloquence, his learning, his legal training and his experience of sixteen years of debating in the United States House of Representatives upon an insignificant clergyman who dwells at Royal Oak, Michigan.

In a way I feel honored in having been selected as the target for the remarks which spilled from the lips of this gentleman.

In one hand I have the speech delivered by Representative Luce actually as he uttered it.

In my other hand I have the copy of the speech which he was supposed to have delivered and which he handed to the newspapers for them to print. I am sorry that the distinguished member from Massachusetts forgot his lines and digressed so greatly from the original copy.

According to stenographic report here is what he actually said :

"I do not like to inject religion into a discussion of economics of this sort, but the addresses of Father Coughlin make it necessary that I should do so. This is particularly dangerous because these addresses are delivered to millions of people who have not the intelligence (perhaps I should say the training) to grasp the full significance."

Ladies and gentlemen, the Congressman believes that you have intelligence enough to vote for him but not enough intelligence to understand the basic principles of bread and butter, of home and fireside.

That is the fine tribute, Walthamites, which your congressman pays to you, his constituents.

Personally I do believe in the intelligence of the American public. I do believe that they have risen up in their wrath against this kind of high-browism, of holier-than-thou intelligence, which for the past few years has taken great care to permit an immoral inflation of debts ; which has protected gambling on the stock markets ; which has connived with the culpable misdemeanors of banking houses ; which has been guilty of the multitude of crimes associated with the proflicacy of prohibition ; which has stood

idly by while the American farmer and laborer have been exploited. Finally, when the crash came, when their paper castle of cards tumbled to the ground, they tried to persuade us that all is well, to soothe us with the sophistry that prosperity was just around the corner while they were in the act of doling out billions of dollars to those who were most responsible for the plight in which we find ourselves.

Congressman Luce is an able exponent of that school of philosophy and of economics which has been repudiated by the American people.

In his speech he goes on with this : “*His (Father Coughlin’s) pleas are filled with prejudice. He is arraying class against class in this country*”. I think I have heard that once before.

Ladies and gentlemen, I would not bemean myself to speak disparagingly of any sacrosanct Representative. But I will pause to remind him that the day before he gave vent to his courageous utterance I devoted an hour over this microphone endeavoring to uphold the very system of capitalism which he and his kind are endeavoring to destroy by pampering and petting the abuses which have crept into it.

Of old it was said of Jesus Christ by those who set forth to crucify Him that “*He stirreth up the multitudes.*” It is the cheapest argument found in the pages of history. And it loses none of its cheapness even though repeated nineteen centuries later.

Personalities must never find their way over any microphone. But when one considers that here is the noble, learned, exponent of our present economic system unsheathing his sword to defend capitalism in honest battle ; when one beholds him standing before the microphone of Station WOR of Newark, New Jersey, choosing such ridiculous weapons of defense, the so-called unintelligent people of this country cannot help but wonder whether or not he possessed any valid arguments in his armory when he is forced to use the stink bomb of vituperation.

One more reading from the speech which Congressman Luce delivered in defense of the present system of economics he says : “*This (meaning Father Coughlin’s discourses) is the strangest mixture of economics and religion which I have ever read. It appeals at once to man’s highest hopes and to his basest passions and to the worst elements in the life of America by combining religion with economics.*”

It is regrettable that such an eminent economist and friend of the international banker has committed himself in such a manner.

Evidently I take it that religion should not be mixed with economics. Evidently the Bible is in error when it says that “*the laborer is worthy of his hire.*” Evidently, the Scriptures are infiltrated with deception when they condemn usury or when Christ bespeaks Himself as having “*compassion on the multitude!*”

They banned religion from politics in Soviet Russia. Does he wish the philosophy of Bolshevism adopted here in America ?

To whom else can the people of the country turn their broken hearts except to their priests and their ministers and their rabbis ?

Are they not disgusted with the financial philosophy which has emanated from Wall Street and which has found parrot expression for the past four years on Capitol Hill ?

Religion ante dated economics. The Catholic religion will continue to flourish and to defend the people of all nations and all creeds long after the last Nero will have tried to put the blame upon Christianity for the conflagration of a Rome which he himself ordered to be destroyed.

“Appealing to the basest passions” says he when we are asking for simple justice ; when we are demanding that human rights take precedence over financial rights, and when we are merely trying to preserve the structure which our ancestors built and which some are endeavoring to destroy from within !

Capitalism must begin to admit its faults ; must begin to clean its own house. Let capitalism admit that its entire structure is builded upon confidence and credit. Let it set forth then instead of discountenancing evil to eradicate it by kneeling down, humbly saying its act of contrition and admitting its many faults.

Unemployment, dishonest currency and feeble leadership, to which three weaknesses I have referred this afternoon, must depart from our midst if capitalism and the confidence which sustains it will endure.

I would welcome Congressman Luce or Senator Reed or Mr. Lippmann to share with me some Sunday a half hour of this program to express their views with facts and figures and not with fancies.

Driving Out the Money Changers

Charles E. Coughlin

GOLD — PRIVATE OR PUBLIC !

This afternoon, my friends, I propose to speak upon a subject that is related to money ; subject, perhaps, that is very important for us to understand if we hope to succeed in deposing this monstrosity, the god of gold.

Come with me then, while first we turn over page by page the story of Jewish history.

Originally, as you know, this great people were a pastoral, an agricultural nation. Abraham's flocks extended over the acres of Asia. Fields were tilled, farmers were happy and the wealth of their country and of their tribes was dependent upon the fecundity of their sheep and the fertility of their ground.

Eventually, these wonderful Jewish people became captives. The Babylonians had come into their midst, burned their homes, destroyed their barns, laid waste their fields and carried them off into bondage !

But as oftentimes happened, God, Who had been so good to Abraham and Isaac and Jacob, had not forsaken His people. He had given them a faith in the world beyond. He had gifted them with an intelligence superior to that of their captors. Thus, the Jews became, in one sense, the rulers of the Babylonians.

Of course you recognize that Jesus Christ, our Redeemer, was a Jew by birth. In His veins there flowed not only the royal blood of King David which he suckled at His mother's virgin breast, but in His heart and human soul the traditions and culture of the Jews flourished and matured.

The apostles whom He chose to carry His doctrines throughout the ancient world were likewise Jews.

If Greek or Roman, Spaniard or Portuguese or German, Frenchman or Englishman, Russian or Pole or Hollander, if any of them heard the echoes of the Sermon on the Mount they likewise heard the story of Jesus Christ and His love and His charity without which no one can claim title to the name of Christian.

They all remembered "*if any man saith he love his God and hateth his neighbor, he is a liar and the truth is not in him.*" Alas ! Many of them forgot to practice this implied precept of charity.

It is a peculiar thing that with the rise of the Christian we behold the ownfall of the Jew. The walls of his Jerusalem were destroyed. His nation was scattered over the face of the earth. Citizenship was denied him. Ignominy was heaped upon him. He became the outcast, the hated among the sons of men who had pledged themselves to the doctrine of love and who had proclaimed that they had remembered that "*if any man saith that he love his God and hateth his neighbor, he is a liar and the truth is not in him.*"

Have you forgotten, my friends, the story of Spain which forbade the Jew from holding property ? Have you forgotten how the Jew was driven from pillar to post in Holland and in Germany, in England and in France, in the Republics of Florence and of Venice ?

Oh, if the Jew would live, he needs must not live off the fat of the land. He dare not own a home. He dare not till the soil. He dare not enter into the natural business of farming because tearfully he remembered how his lands had been stolen by kingly decree—stolen and confiscated ! Thus, the law of self-preservation forced him to live off his fellowman's purse.

May I recall for you how the Jews had at one time been taken captive by the Egyptians ? Watch them as they mold bricks, as they sweat in the hot sun and were denied an education. Slaves they were !

Did the thought ever strike you that when they found freedom under the leadership of Moses they had enough gold in their possession with which to build a golden calf ? Did the thought ever occur to you : Where did they get that gold ?

Slaves were not paid in gold. They had taken it by right of compensation for the work which they had done.

And thus the Jew learned from the Phoenicians, learned from the Egyptians and learned by bitter, cruel experience from every so-called Christian nation in Europe that had made of him a scape-goat. They learned that gold was the only wealth which they felt was secure in their possession.

Be it said of the Papal States, there was one oasis in European territory where the wandering Jew found sanctuary.

Oh, no wonder Shakespeare put into the mouth of his Shylock :

*" Signior Antonio, many a time and oft
In the Rialto you have rated me
About my moneys and my usances :
Still have I borne it with a patient shrug ;*

*For sufferance is the badge of all our tribe.
You call me misbeliever, cut-throat dog,
And spit upon my Jewish gaberdine,
And all for use of that which is mine own.
Well then, it now appears you need my help :
Go to, then ; you come to me, and you say
' Shylock, we would have moneys' : You say so ;
You, that did void your rheum upon my beard,
And foot me as you spurn a stranger cur
Over your threshold : moneys is your suit.
What should I say to you ? Should I not say
' Hath a dog money ? is it possible
A cur can lend three thousand ducats ? ' or
Shall I bend low and in a bondsman's key,
With bated breath and whispering humbleness,
Say this,—
' Fair sir, you spit on me on Wednesday last ;
You spurn'd me such a day ; another time
You called me dog ; and for these courtesies
I'll lend you thus much moneys' ? ”*

My friends, that characterization by Shakespeare is the concrete expression of one of the most damnable pages in all Christian history.

I have touched upon these perilous points for a purpose. I have touched upon them simply for the reason to bring to your attention and to recall to my own the fact that our Christian ancestors forced the Jew to hoarding gold, the only element of wealth that hatred permitted to him.

Denied nationality, denied citizenship, scorned and spat upon and kicked from country to country, what stable possession had he except his coins of gold ?

No wonder then that there grew up that spirit of gold trading in the heart of the international Jew, as some have called him ignominiously.

If I cared to recount the story of the modern Jew, I could tell you the story of the Rothschilds at Frankfort. I could tell you the story of the Napoleonic Wars. It is all related in one sense to our present misery.

The Rothschild House had been established not only in Germany. Its offices had been extended to Paris and to London. The Gentiles who had scorned the Jew, the Christians who had belittled him, went to the Rothschilds for gold to carry on their wars.

When this emergency arose, Christian nations learned that the commercial gold of the world had found itself controlled by private individuals.

By private possession, my friends, I am trying to distinguish for you the national possession of gold against the privately controlled possession of gold.

III

Today, when men are starving, when farms are being confiscated, when factories are idle, and when the world is bent low, strapped to the pillar of hate and lashed with the scourge of greed, we can read the story that this is due not because men have refused to work, not because farms in Kansas, Iowa, Nebraska and the Dakotas have lost their fertility, not because our manufacturers in the cities have decided that they will close their industries and throw upon the street 12-million men, not because the American people have become surfeited with all they desire.

This suffering which I have denounced dozens of times has been a manmade suffering because we permitted private individuals to hoard the gold, the basic money of the nation, upon which the system of capitalism is constructed and upon which American prosperity depends.

My friends, I say these things not with acrimony. I am simply outlining for you a fact of history. I have courage to do it today because I know that this thing to which I am referring is not going to last much longer. Not that I intimate that force shall ever be used. God forbid ! But I do intimate that the intelligence, that the wrath of a world-wide people and that the directorship of our God-given President-elect shall lead us out of this desert ; this godless desert where we have been worshipping the golden calf ; this damnable desert where we have been lost. He will lead us to the promised land !

IV

I am only building up to the climax of these Rothschilds whom I have mentioned.

This family more than any other devised the plan of constituting gold as wealth, and land and produce, men and labor as its servants. They were forced into this position by the hatred of Christians. It was this family who formulated the theory of modern wealth, the theory that I have read to you time and again. From their London office originated the idea not of gold as a medium of trade but of gold held in private possession independent of the nation ; of gold as a medium of control.

Oh, God forgive us and our ancestors for the breach of charity which we have perpetrated down the ages ! God forbid that clever men shall ever again come into the world to beat down with the whip of reprisal those who have used the thongs of hate. Today we are paying the price for centuries of hatred !

After Rothschild came Gentiles, Christians, who endeavored to emulate him. They, too adopted this same theory.

Need I mention them in lower Manhattan by name ? Need I call your attention to the fact that the gold which tills the soil, the gold that holds the roof over our heads, the gold that is the very life blood of commerce, of industry, of prosperity, has been held captive in the bank of greed, similar to the money which today is held captive in the banks of Michigan ?

V

I am speaking of this thing to bring to your minds one of the most important moral questions of this age.

Radical, some will call it. Others will fling the cheap word of Socialism at it. And others will say, "it can't be done." But call it radical, besmirch it with the cheap term of Socialism if you will. Nevertheless, I am prophesying not because I am looking into the future but rather because I am peering into the past that what I am about to say shall come to pass most certainly.

What is it ?

Well, bear with me a moment. What has all this to do with the question of depression, the question of gold and hoarding and starvation ? Does it intimate that we Christians must continue upon the vicious policy of hatred that formerly was extended to those who bear the same nationality as Christ Jesus ? God forbid !

Have we not come to learn that the Jew has at last a home ; has at last a nationality ? He is just as much an American as anyone of us ; just as much a child of God as the best of you are. This is a democratic country where Jew and Gentile are equal ; a country that can never last except it adopts the policy of Christian charity.

Thus, my friends, the day has come in the cycle of progress when the theory of the European Jew that gold is sacred, gold is wealth, gold is more precious than men and the homes in which they live, that day has come in the course of the development of democracy when gold no longer is wealth and must never again be recognized as a medium of control.

It was hate that gave birth to the idea that gold is wealth. Hate must give way to charity.

It was persecution that drove the Jew into the hoarding of gold. Persecution must surrender to democratic forebearance and citizenship.

I can understand how in the dawnlight of Spanish and Portuguese and English history—I can understand how through the black forests of Germany and through the fields of France, the poor Jew, his home burned down, his crops destroyed and his only possession, the little bag of gold, was forced to become a wanderer. I can see that. But thanks be to God I can see in America where wealth is not identified with gold any more and where the Jew at last rejoices in our common flag, our common nationality.

The thought, then, that I have in mind is this : It means that henceforth the great private banks of America, including the Federal Reserve must relinquish every gold coin which they possess into the hands of the United States Treasury. Every individual must relinquish his commercial gold into the hands of our Government.

I am advocating the national confiscation of all gold.

I am advocating that currency money be given to those dollar for dollar from whom we confiscate the gold.

I am advocating that the weapon of control and the weapon of depression be taken out of the hands of those who manipulate it and control it. Let individuals be satisfied with currency money. Basic money upon which the structure of our commercial prosperity is built must belong to our nation as a whole.

I am advocating that gold hereafter, every coin of it, every ounce of it, every grain of it, shall belong to the Government and to the Government alone.

VI

I know that some of you are going to say that I borrowed that from some Socialist. But what does the head of the Catholic Church say on this point :

“It is rightly contended that certain forms of property must be reserved to the State, since they carry with them an opportunity of domination too great to be left to private individuals without injury to the community at large.”

That, my friends, is the statement of Pope Pius XI. It is not Socialism. It is merely Christianity. Things that are necessary for the development of a country, and for the

maintenance of a country, those things must belong to the nation alone and must not be permitted to rest in the hands of the Morgans and Kuhn-Loebs and central banks and Rothschilds who have grown fat by the billions at the expense of the millions of oppressed people.

So almost on the eve of the birthday of the Father of our Country who was so opposed to granting the right to national banks to coin their own money ; on the eve of his birthday, to whom we look back with reverence, I would like to take you on the wings of fancy to Fraunce's Tavern in New York. It is the year 1783. The occasion is Washington taking farewell of those soldiers who fought with him ; those officers who suffered and bled with him. There is Washington at the board. Solemnly he arises to bid farewell to his brothers in arms :

*“With a heart full of love and gratitude I must now take my leave of you.
I most devoutly wish that your latter days may be prosperous and happy
as your former ones have been glorious and honorable. . . . I shall be
obliged to you if each will come and take me by the hand.”*

That is what Washington said. It is a voice from out the past !

My friends, you have heard the echo of his words. Because you are an American child of his there is extended to you at this moment alongside your receiving set the holy hand of one who lived for God and country. His hand clasps your hand. It is ours to rise from gloomy thoughts and darkened nights of suffering to the glorious sunrise of peace, prosperity and restored blessedness. Those things for which Washington fought are still ours. We have not lost them. Perhaps, we have bled for a while but there stands one who fought for liberty, who fought for the common people and who fought against oppression.

So, my friends, just as out of a sealed tomb rose the glorious Christ, out of our present suffering shall rise a more glorious nation. Hold ye fast to the traditions of the past. Let it not be written that we have let perish the pact between the living and the dead. Let it not be said that we practiced hatred instead of charity, or that we shall continue letting those who hold gold also hold the lash of oppression.

Driving Out the Money Changers

Charles E. Coughlin

BANKS AND GOLD !

This afternoon may I continue the discussion regarding the moral-economic problem of money with which is associated the present world-wide distress. Naturally I shall touch upon the Michigan Bank situation. But specifically, I shall address you on the question whether or not our nation and the nations of the world shall continue to permit the international bankers to control the gold of the world.

No financial or economic reform can be sound or remedial unless this problem is solved correctly.

To gain a further understanding of the money problem which up to this date has defied a logical solution, it will be well for us to scan rapidly the pages of the twentieth century history which preceded the Great War.

The student of this history first opens his book to study the facts associated with the Boer War which was fought in the year 1900. Economically speaking, it was by this war that England gained possession of the diamond and gold mines of South Africa.

From that date and traceable to that event our modern economic civilization underwent a significant change. From the year 1900 until this present moment more than half the commercial gold existing in the world was delved from the bowels of the earth.

More of this precious metal was mined during the last thirty-three years than had been brought to light during the thirty-three hundred years preceding them !

Thus, the beginning of this century became identified with England's unquestioned and transcendent control of financial power. She became the undisputed creditor of the world. Civilization became her commercial debtor.

Paralleling this stupendous increase in Great Britain's wealth as measured in money the historian observes Germany's rapid advance in trade and commerce.

Here, then, are the beginnings of a drama. The stage of this world was being set for a mighty, titanic contest.

I hold neither brief for Germany nor dislike for England. Nevertheless, it is apposite to remark that some one with a malignant mind originated the epithet “*war lord*” and persistently applied it to the German Emperor.

As a matter of fact his sword had remained sheathed from the time of his ascension to the outbreak of the Great War.

As a matter of fact they who had coined the word constantly kept their unsheathed in defending the far-flung outposts of their empire.

Trouble was brewing ! German thrift and industry were gradually draining the gold from English vaults. Under the leadership of Kaiser Wilhelm the German Empire began slowly but surely to threaten England’s leadership in the commercial world.

Every student of history recognized that war was inevitable. Alliances were established. The drums of the nations were sounding the march of Mars. Armies were training. Battleships were multiplied. Ammunition reserves were piled up. While the facile fingers of propaganda were constantly at work spinning the web of destruction.

At last in the year 1914 the great contest for the commercial supremacy of the civilized world was set into motion. For three years the battles raged across the entire continent of Europe. It became apparent to all that victory was smiling upon the arms of the Fatherland.

Here in America we returned to office a President who had campaigned successfully throughout the nation on the strength of the slogan : “*He kept us out of war !*” Although the voice of the American people had spoken in terms that seemed to be the equivalent of a mandate, yet forgetful of election pledges, unmindful of mandates these same American people permitted themselves to be led by the halter of deceit into the very midst of a conflagration whose lurid scars never can be effaced.

Newspaper after newspaper was purchased by foreign gold to sell the wares of partisanship ; to stir up hatred founded upon lies ; to persuade an easily deceived people to take up arms for the defense of international investments made by American international bankers on foreign soil.

Finally, the last American dough-boy sacrificed his life for an ephemeral dream called democracy.

Then came the Treaty of Versailles. It was signed, sealed and delivered—that peace treaty which produced neither peace nor democracy but from whose adulterous loins was bred the abortion of depression.

Its stipulations were cruel, merciless.

Germany is forbidden the rights of trade and commerce with the rest of the civilized world. Every ounce of her gold which she possesses is confiscated. Nevertheless, a fine of 33-billion gold dollars is imposed upon her, although it is well recognized that there are only \$11-billion of gold held in the treasuries of the nations who had despoiled her !

II

That, my friends, is the beginning of our present sorrow.

Misery began to be multiplied. The prosperity of a world which had been predicated upon the worship of gold was suddenly turned into poverty and distress despite the blasphemous benedictions which the impotent idol of gold had promised.

Behold the fulfilment of its promises ! Count its blessings !

Today the combined debts of Europe and America exceed \$500-billion. Our own national local and private debts payable in gold approximate \$235-billion.

It is only an idle dreamer who adheres to the opinion that these debts can be or will be paid. The \$11-billion of commercial gold in the world is not even sufficient to pay the interest on these debts for six months.

There is not sufficient currency in America to pay the interest on our local and national debts for even part of a year.

Little wonder that there is scarcely any credit left in this nation ! A persistent policy which unintelligently has destroyed the last shred of confidence, a system of government that has scorned aid and dole for the helpless and bestowed millions and billions of dole funds upon the guilty, industrial bankruptcies, a multiplication of bank failures—this assembly of realities together with the insuperable debts have prostrated the mighty nation of the United States.

We are gravitating into the chaos of national and personal financial ruin. Yesterday we tied our hope to the star of the Reconstruction Finance Corporation. Today we discover that we had been holding fast to the tail of a meteor which is driving with increasing speed into the chasm of despairing chaos.

Reconstruction has devolved into destruction.

III

Moreover, the faith in our nation's financial institutions is perishing. Only an impractical mind could entertain hope for its revival as long as the fallacies and immoralities associated with both banks and bankers are permitted to survive.

Blush with shame as you read the startling record unfolded but last week ! Mr. Charles E. Mitchell, the trusted and revered chairman of the Board of the National City Bank and its affiliate, the National City Company of New York ; the chairman of the board of one of the world's largest banks has written a crimson page in the history of finance at a most inopportune moment.

Dodging Federal income tax by surreptitiously transferring \$2,800,000.00 of bank stock to his relatives !

Fattening his fortune to the extent of 3,500,000.00 over and above his salary by bonuses acquired from the sale of worthless South American bonds and other activities !

Associated with loaning \$2,400,000.00 of depositors' money to bank officers to cover up their loans following the crash of 1929 while at the same time his bank and its officers sold out mercilessly their customers whose collateral did not cover their margins !

What a shining example of integrity is Mr. Mitchell, the chairman of one of the world's greatest banking institutions !

Turning our attention from bankers to banks, read the record which has been written in Michigan this last few days.

It is a record associated with glaring illegalities. A State Governor exercising authority over national banks when it is almost universally admitted that he had no authority to exercise !

National banks disbursing only 5 per cent of depositors' money when it is seriously questioned whether or not they have not gone beyond their rights ! It is a record of misinformation that is astounding.

Banking officials hiding behind half-truths which they sent to the public press !

Newspapers satisfied to sell this information and daring not to print the truth as they knew it for fear of breaking confidence in secrets which were no secrets at all but which every depositor had a right to know !

In fine it is a record associated with "smart" money running into hiding and of the uninformed depositor holding the bag.

Now that the worst has happened it is apparent that the use of the truth would have been more efficacious. No further damage can be done. What are the facts associated with the failure of at least two large groups of banks in the fourth greatest city of this nation ?

At least two great groups of banks have failed. That is the only useable word with which to describe the situation.

At the beginning of this year the First National Bank had deposits totaling approximately \$423,357,897.44.

By February 11th, these deposits shrunk to approximately \$360-million.

Here was a decrease of approximately \$63,358,000.00 in a few days. Practically 15 per cent of the money, "smart" money and much of it in large quantities knew that there was something rotten in the State of Michigan. Therefore it went into hiding, or else the records are falsified.

In the Guardian Group, a parallel case developed.

At the first of this year the deposits for this bank approximated \$138,385,000.00.

Forty-two days later, this sum decreased to \$104-million—nearly \$34-million being withdrawn.

As in the case of every bank failure, there is always a reason—a very definite and concrete reason.

As in the case of every bank failure, there is also a biblical goat selected by the sinners to bear their iniquities.

Of the goat and his identity silence is preferable.

Of the real reason why nearly \$100-million was so suddenly scared into hiding from these two banks, we need not search to discover it in the ranks of the common people.

Were the small depositors aware of the real reason, bank lines would have been as long as bread lines during these hectic forty-two days.

Turn to another set of figures to discover why the "smart" dollars, as they are called, ran into safety.

Well, on the 1st of January the First National Bank had 108,585,000.00 approximately of cash and Government Bonds.

Forty-two days later this figure had shrunk to \$45-million.

Deposits of \$360-million of that same date were now depending upon \$45-million.

As far as the Guardian Bank is concerned it had \$56,731,000.00 approximately in cash and Government Bonds.

Forty-two days later this amount had melted to nearly \$22-million.

In this case we find deposits of \$104-million depending upon 22-million actual dollars.

Reason and blame !

Shall we in Michigan or you scattered throughout this nation, now grown accustomed to bank failures, rave and rant at local bankers for having created this perilous predicament ?

I appreciate, my friends, that banking business cannot be conducted unless the officers of these organizations invest in mortgages, in reliable real estate, in sound municipal and industrial bonds. I appreciate that if today the only ready valuable assets of these banks of Detroit and similar banks are the cash on hand and the Government Bonds, this sad condition of affairs exists because bankers have been victimized as well as have the rest of us even though they were the most notorious supporters of a treacherous, devastating policy which persisted in breeding idleness, and, therefore, in destroying tax income, mortgages and second class securities and values of every description which are wall paper at this moment.

Both bankers and their depositors are paying the penalty for practicing pagan principles in matters of finance and economics.

Nevertheless, it would be interesting, indeed, to discover who in the first forty-two days of this year in Detroit made the heavy withdrawals from these two institutions and brought them down to their knees.

The day has arrived for constructive truth. The day has arrived when our Federal Government must establish its own banks throughout the nation for the purpose of safeguarding depositors' money just as securely as does the Federal post office protect the citizens' mail.

Why temporize ? Why re-establish banks to duplicate ten years hence what is happening today ?

Why pour our national money down rat-holes through the funnel of the Reconstruction Finance Corporation when it is possible to expend that same money in creating a nationally owned banking system as sound as our army and as honest as our post office ?

A system, it will be, purged of truckling tricksters !

The only system of finance in which we dare place in the future a modicum of confidence.

My friends, I only ask you to cast your eyes upon the record which this nation has written during the past three or four years. Despite its most intemperate optimism, its wide-spread propaganda of fallacy and fancy, its fanatical perseverance, the inevitable is happening under your very eyes.

IV

I introduced these remarks, my friends, by recalling to your minds the fact that over half the gold in the commercial world was mined since the year 1900. I associated this thought with the basic cause of the Great War. And finally I emphasized the fact that the so-called depression, with its bank failures, is traceable to the inordinate, impossible debts payable in gold-debts which came into being and were multiplied as a result of the war.

Payable in gold !

What a tragedy is associated with that phrase !

More truthfully one should say : “ Payable in the river of tears which have streamed down the cheeks of countless men and women who have been ruthlessly lashed at the pillar of poverty ! ”

Payable in gold !

Preferably we should say : “ Payable in the millions of farmlands which are confiscated in this nation !

“ Payable in heartaches of those 12-million wanderers who like felons have been chained in the dungeon of idleness.”

No wonder the prophet Isaias exclaimed in holy anger against those who made gold more precious than men.

“ *For this,*” said he, “ *I will trouble the heaven : and the earth shall be moved out of her place : for the indignation of the Lord of Hosts, and for the day of His fierce wrath.*”

“ *A man shall be more precious than gold ; yea a man than the finest of gold.*” (Isaias xiii, 13-12).

Thus spoke this sainted leader as he prophesied the destruction of Babylon of old.

The Babylon which had enslaved the Jewish people !

The pagan Babylon which had set up its god of gold in the desert place for all to worship !

The doomed Babylon which had been weighed in the balance and found wanting !

God knows, my friends, we have had enough of these Babylonian policies. Formerly we were religious enough to print upon our coins "*In God We Trust.*" If we had not been hypocrites we would have erased these words and substituted for them the phrase "*In Gold We Trust.*"

On former occasions logic and science and argument met to discuss temperately this topic.

More eloquent than words are the sorrows of an oppressed people. Long enough we have listened to the vapid mouthings of those who raise aloft the cry of "*Give us the barabbas of gold and crucify the brothers of Christ !*"

Long enough have we quaffed of the vinegar of impious propaganda regarding the false sacredness of commercial contracts specified in gold, when the divine contract made between God and man Who has given him this earth and the fruits thereof to be his sustenance, has been trampled under foot by Babylonian ingenuity.

Long enough we have been the pawns and chattels of the modern pagans who have crucified us upon a cross of gold. Through politeness only have we dignified them with the term of international bankers. In fairness, my friends, I am not referring here to our local bankers.

International bankers and their gold standard !

The gold standard—as if it were more important, more sanctified, more precious than the human standard !

The filthy gold standard which from time immemorial has been the breeder of hate, the fashioner of swords, and the destroyer of mankind.

No wonder that Jesus Christ lashed unmercifully the sanctimonious pharisees who strained at a gnat and swallowed a camel with these stinging words of rebuke : "*Which is more sacred, the gold or the temple?*"; the gold or the living temples of the Holy Ghost, Christ's brothers and His sisters ?

V

Last Sunday afternoon I advocated a reform which is essential for the well being of our economic life ; a reform without which it will be impossible for the vast majority of the citizens both of this country and of the entire world, as far as that is concerned, to free themselves from the cross of gold.

Briefly I am advocating that every ounce and every grain and every coin of gold held by private international bankers shall henceforth belong to the Government and to the Government alone.

I am advocating that these few individuals who hold in abject control the millions of so-called free citizens be stripped summarily of their medium of control.

But, I am advocating likewise that no injustice be perpetrated in accomplishing this act.

Let injustice remain in their hands—justice in ours !

To these international bankers shall be traded the coin of the realm, the currency dollars, which you and I use in our daily commerce and trade.

We take the gold !

The Government already has set the precedent by confiscating the gold in the earth. Every raw ounce that is mined must be turned over to the Federal Treasurer in return for which \$20.67 is returned to the miner. What holds good for the nation in the miner's case should hold good for the nation in the banker's case.

My friends, are you aware that all the currency and debts or credit of our nation are builded upon gold ? Need I instruct you, that they who control the gold, therefore, can likewise control either the expansion or contraction of currency ; either the rise or the fall of the stock market ; either that wheat be \$2.00 a bushel or 20 cents a bushel ; either that a dollar shall contain 100 pennies or 170 pennies ; either that you are able or unable to pay your debts ; either that local banks remain open or are compelled to close ; either that you starve and shiver and fold your little children to empty breasts, or that you can live and smile and partake of the bountiful earth and the fruits thereof which a beneficent God has bestowed upon us ?

Once and for all banish from your minds the erroneous superstition that our Government controls the gold resident in this nation. It does not. The gold upon which our commerce, our industry, our homes, our securities, our food, our peace, our very lives depend is controlled by a handful of grasping, greedy international bankers.

How much gold do the Central Banks in the United States hold or control in their possession ? That is a fair question.

The answer :

According to the latest figures published in December, 1932, the Central Banks of the United States control \$4,038,000,000.00 of gold.

The English Central Banks, according to the figures published by their Government in November, 1932, control \$583, million of gold.

The French Central Banks, according to the official report published December, 1932, control \$3,254,000,000.00 of gold.

So the lurid figures tell the unbelievable story of high finance which has been and is being enacted in every nation of the world where gold controls and where the whip is held in the grasp of those who lash you at the pillar of poverty.

There is scarcely need for my pausing to define for you that money is the medium of trade. Through the agency of money wheat and corn, beef and dairy products are brought from the fields to your tables.

In our complicated social life it was money that quarried the stones, sawed the timber, fabricated the glass, manufactured the hardware and every other material which erected your home and your factory.

Money moved the shuttles of the loom which spun your clothing.

Money printed the books and compounded the drugs which your physician employs to save your life.

Money has become the hand-maid of learning without which neither schools nor churches can function in our complicated civilization.

Money is a universal and a national necessity of far more importance than are our highways, our waterways, our railroads, our public utilities. Money is more essential than all of them taken together.

And what has happened to this money ?

First of all through trickery and subterfuge, as I have pointed out in the previous lectures with facts that cannot be denied, all our currency and all our credit money was built upon the foundation of gold. Silver was outlawed. By acts of Parliament and decrees of Congress, they who selfishly had aimed to gain control of civilization had set a fictitious price upon gold over which they hoped to gain complete control because of its scarcity.

All values were predicated upon it.

All human activities became anchored to it.

Birth and life and death itself became dependent on it.

In their innocence and confidence and childish simplicity our forefathers were unconscious of the scheming and successful efforts of a few international bankers who ultimately did gain control of practically every ounce of commercial gold in this world and, therefore, control of the world itself.

Thus, in their hands they hold our destiny. At their whim and nod the products of our labor rise or fall upon the Babylonian market.

A President can boast that he kept us out of war. A conference of international bankers with the aid of their puppets of propaganda can lead us to the slaughter.

The flow of their gold opens or closes factories, cuts wages, breeds poverty, destroys values and crucifies Christ once more upon the cross between two thieves !

For one hundred and fifty years we have borne the persecution of this damnable control.

How long, O Lord ! How long must it endure ?

VI

What, then, shall I advocate to this audience ? Is it something revolutionary ?

Call it so if you will. It will be more justified than the revolutionary thoughts that were nursed within the minds of Washington and his compatriots.

I prefer to call it Christianity. I prefer to describe it as the doctrine of "*live and let live.*"

I absolutely prefer to regard men as more precious than the "*finest gold*" as said the prophet Isaias—gold that has been used as the instrument of greed, as the whip of torture in the hands of the Pontius Pilates who persist in perpetuating the passion of Jesus Christ upon His helpless brethren.

What would be your judgment if the army and navy and air force upon which depend our protection from foreign invasion were handed over in their entirety to the control and manipulation of the United States Steel Corporation ?

How loud would be your protest if the United States postoffice department along with those of England, and France and the rest of the world became the private property of an international bureau of advertisers ?

Army, navy, air force and postoffice systems by their very nature are of such public importance and are designed for such public use that it were the suicide of civilization to permit them to become the pawns of private profiteers.

Although you add all their importance together, yet they are of less importance than is this greater public necessity, the gold upon which the commerce of the world is based, the gold upon which the values of our nation have been predicated, the gold without which in our modern civilization we can neither eat nor sleep nor live !

One hundred and fifty years ago when men first began to suffer from this greatest social injustice that was ever inflicted upon an organized society, the extreme Socialist advocated the nationalization of all industry. To this radicalism the Christian Church could never agree because without the right to private ownership the moral law of God eventually would become an idle gesture. But the Christian Church from its earliest days has advocated, if I may quote exactly the words of Plus XI that :

“ It is rightly contended that certain forms of property must be reserved to the State, since they carry with them an opportunity of domination too great to be left to private individuals without injury to the community at large.”

Fortified with this single utterance I have dared not only to suggest to you but to implore you to organize legally and peacefully against the Morgans, the Kuhn-Loebs, the Rothschilds, the Dillon-Reeds, the Federal Reserve banksters, the Mitchells and the rest of that undeserving group who without either the blood of patriotism or of Christianity flowing in their veins have shackled the lives of men and of nations with the ponderous links of their golden chain.

We have had enough of their leadership. Too deeply have they pressed down the thorns of servitude upon the fevered brow of a worried world. Too patiently have we writhed upon the cross transfixed by the nails of slavish control.

And now as the clouds of depression gather overhead while in the distance there rumble the thunders of discontent, they who have crucified us walk before their victims to deride them with the challenge, *“ If Thou be the Son of God come down from the cross ! ”*

My friends, the sunset of this gruesome day of challenge is sinking into a grave from which it shall never rise.

But we who suffer—we will come down from the cross, cost what it may ! Soon, soon, shall the dawnlight of a new morning break upon us—a new morning of resurrection, when

we shall rise glorious to triumph with the Prince of Peace. This is the hope of the new day and the “*new deal*.”

There will be ringing in the ears of President Roosevelt and his associates the whining of these high priests of international finance who are opposed to this. They will object by repeating the heresy of the ages “*If thou release this man thou are not Caesar’s friends !*”

As if they cared for Caesar ! They who have prostituted their citizenship, betrayed their leadership and made out of the temple of the Most High God a common market place filled with the dung of animals, crowded with the slaves of gold !

Caesar or no Caesar, we are through with it all !

Friends we will be, but friends of the Christ Who drove from the temple those who made of it a den of thieves.

The trumpets are sounding from India to England !

Trumpets not calling to war, but silver tongued trumpets proclaiming anew the second birth of the Prince of Peace.

Let us trade our gold for our God ! Bloody wars for blessed peace ! Cunning greed for Christian love ! God, peace and love ! These three are one ! One, though they slumber at the breast of the Madonna of Bethlehem ! One, though they sleep on the cross of Calvary !

To commemorate this day on which I dared attack the godless error of gold control in order that the sweet benedictions of peaceful prosperity may descend upon an oppressed world, may it be my privilege to send to each one of you a bronze pocket crucifix, the symbol of suffering, the promise of resurrection and the pledge of prosperity.

It is yours for the asking, be you Catholic or not.

Driving Out the Money Changers

Charles E. Coughlin

THE NEW DEAL AND THE NEW MEN

Somehow or other, I cannot help but recall at this moment the catastrophe which occurred but a few hours ago on the coast of California. As we listened to the radio announcements, there was a feeling of shock, of irreparable loss.

But, then, we recollect the disaster of the Galveston flood. Thirty-three years ago a mammoth tidal wave lashed by the fury of an immeasurable wind overspread and destroyed the peaceful city which reposed on the shores of the Gulf of Mexico.

Twenty-seven years ago the world was stunned with the news of the San Francisco earthquake and fire. News journals carried the startling story of a calamity which of a sudden destroyed the labor of years.

Office buildings transformed into heaps of debris ! Homes devastated by tongues of flame ! Thoroughfares transformed into impassable shambles ! These were my recollections as I listened to the story of the latest disaster which has descended upon a portion of fair California.

But Galveston has since risen to finer heights of glory.

Like another Lazarus, San Francisco has returned to life more resplendent, more beautiful, more prosperous than ever.

How oftentimes it is true that the tears of today are but the smiles of tomorrow.

Nature never intended men of vision to be pessimists. Boldly written the page of life is her hopeful philosophy of resurrection.

Are not the chilling blasts of winter but the angels of springtime breezes ?

Does not the tiny voice of a sown seed foretell that it shall rise and multiply in days to come ?

If today, my friends, there are hardships, distress and sorrow throughout our nation, we, too, must look forward to the second spring. Although the banking structure of America

lies prostrate, leveled by the tidal waves of greed and the tremors of injustice, it, too, shall rise again more glorious, more stable than ever before.

What though today we, the American people, as did the survivors of the Galveston flood and the San Francisco earthquake—what though today we are standing in the midst of ruins ! Better days are yet to come.

Now is no time for either moans or lamentations. Now is the day for manly action !

My friends, our real wealth is undisturbed. As fertile as ever are the fields of our west. As robust as of yesterday are the laborers in our cities. Toil and soil, the fundamental elements of all material wealth, have suffered throughout their winter of discontent. But the sunshine of spring and the philosophy of resurrection are conspiring to bestir every American, despite his creed or his political allegiance, to the upbuilding of a better structure within whose walls the many shall not exist for the few—a structure whose twin towers of charity and justice shall not be builded upon the sandy foundations either of greed or of exploitation.

America, we say to you : “*Thy winter has passed, and the hope that lived through it has blossomed at last !*”

II

A “*new deal*” is here. The old Constitution remains. The old principles endure. But new men, enlightened men, revivify those principles ; courageous men interpret them anew according to the gospel of the risen Christ !

Criticize the Constitution of the United States of America if you will. But be honest enough to face the fact that if it has seemingly failed, it was because it had been perverted and misinterpreted in too many instances for the protection of financial pirates and consecrated Judases.

It was dedicated by the fathers to the establishment of justice, to the insurance of domestic tranquillity. Of late there has been little justice and less tranquillity. The general welfare was well nigh forgotten amidst the din of battle where financial giants ruthlessly struggled to legalize their plunder at the expense of the common man.

Little by little we witnessed the despots of economic slavery assume the reigns of a similar power which a Lincoln had snatched from the bloody hands of the tyrants who once waxed fat in the yesteryear of physical slavery.

Little by little men forgot the teachings of the King of kings as they substituted for the sanctity of human rights their false creed of financial rights.

No wonder that step by step and law by law both Christ's Gospel and the Constitution of our nation were not only disregarded but were scorned as scraps of paper.

No wonder we find our best laws distorted as their execution fell under the power and control of wicked, venal men.

III

For example, behold the collapse of our financial institutions despite the splendid legislation of the *Federal Reserve Bank Act*.

Why was the *Federal Reserve Bank Act* of the year 1913 placed upon ours statute books ?

In brief the answer was to protect the financial rights of every American citizen. Speaking in the language of the common man, this law was enacted with the hope that here was an instrument of legislation to prevent both the immoral contraction and inflation of money at the whim of godless manipulators. It proposed to stabilize values ; to give an honestly controlled and adequate currency. It was inscribed upon our statute books to prevent bank failures, to eliminate money famines, to preclude such a condition which overwhelmed us on the very day previous to the inauguration of Franklin D. Roosevelt as President of the United States.

I know that most of you in this audience are under the impression that this piece of legislation had been entrusted for its functioning to international bankers. The events of the past few years seemed to indicate this very thing.

But did you have even a hazy notion that the governors of the Federal Reserve Bank were the official appointees of the Government of the United States ?

Being assured that such was the case, what are your thoughts as you stand surveying the ruins of the structure which by oath these men were pledged to protect ?

If you point the finger of blame at the international financiers and at the board of governors of the Federal Reserve Bank who either through crass ignorance or through questionable conspiracy have invited the earthquake which has leveled to the ground both our confidence and our financial house of cards ; if you point the finger of blame at these malefactors, be honest enough to glance over their shoulders where stand those more blameworthy as history shall certainly prove.

Business men, professional men, laborers and farmers, of course, have lost faith in the governors and in the executives of the Federal Reserve Board who evidently represented the philosophy of greed and of gain, the twin virtues of a regime that has been repudiated.

Therefore, it is difficult for us to stomach the presence of the Eugene V. Meyers and the Gilbert Parkers of Morgan and Company, the Doctor Burgesses along with their puppets who are still beating a path into the Treasury Department as they try to resow the seeds of their fallacies and to perpetuate a discredited doctrine of money control.

These men will find a place in the “*new deal*.” But their place is in the discard.

I make mention of this only to preface an explanation of the *Federal Reserve Bank Act* and to remove from the minds of many in this audience any unfounded fear as to the future. To inform you accurately regarding a portion of this law, may I quote for you section 10 of the *Federal Reserve Act of 1913* which reads as follows :

“A Federal Reserve Board is hereby created which shall consist of eight members, including the Secretary of the Treasury and the Comptroller of the Currency, who shall be members ex officio and six members appointed by the President of the United States by and with the advice and consent of the Senate.”

In President Roosevelt’s “Banking Relief Bill” there is contained in the third section an amendment to the *Federal Reserve Act* which reads as follows :

“Section 11 of the Federal Reserve Act is amended by adding at the end thereof the following new sub-section : (n) Whenever in the judgment of the Federal Reserve Board such action is necessary to protect the gold reserves of the Federal Reserve System, the Federal Reserve Board in its discretion and upon the affirmative vote of five of its members, may require any or all member banks to pay and deliver to the Federal Reserve Bank any or all gold coin, gold bullion and gold certificates owned by such member bank or banks.”

Now, my friends, place side by side this original provision of the *Federal Reserve Act* and this amendment.

Consider the power of the President to appoint, and consider the import and meaning of the amendment.

Is it not obvious that although there are only eight members of the Federal Reserve Board two of whom must be the Secretary of the Treasury and the Comptroller of the Currency, the President also has the power to appoint six other members of his own choosing ?

This gives us a total of eight members of the Federal Reserve Board who are in harmony with the President’s views and not necessarily with the views of the international

bankers. Eight members who can either be appointed or dismissed on the decision of President Roosevelt with the consent of the Senate.

Eight members who, in one sense, are his spokesmen.

Eight members who are not only directly responsible to him but whose actions he himself is responsible for to the American people.

If, in former times, since 1913 these eight appointees to the Federal Reserve Board so governed the finances of our nation that the structure of their Mellonism, their Meyerism and their Morganism came tumbling down upon the heads of the world's wealthiest nation, the responsibility for that collapse must be shared by those who appointed such Secretaries of the Treasury, such Comptrollers of the Currency, such members of the Board whose importance so swelled that they dictated to the President of the United States and to Congress rather than did the President and Congress dictate to them.

I am citing these facts, my friends, in view of the pernicious rumors which already are being circulated that the "*new deal*" means nothing.

That once more our finances are handed over to the banksters and to the gangsters.

That we can expect nothing except a repetition of the last thirteen or twenty years.

These rumors would have been well founded were there a weakling in the White House who had not the courage to dismiss from public office men who are not in accord with his views and the people's welfare.

The time for sparing such individuals has long since ceased. The American public will be glad when these and their fellow malefactors shall be examined before the bar of justice.

I have recited for you, my friends, this portion of the *Federal Reserve Act* to prove to you that what we need in the "*new deal*" is a group of new men.

Formerly men were appointed as governors of the Federal Reserve Board who, as events have indisputably proven, have not been for the welfare of the American people.

They were men who were consistently wrong, consistently unmoral and consistently destructive in their financial policies.

Like serpents they squirmed from the swamps of international greed to entwine themselves around the body of the American Government. And in the "*new deal*" like serpents will they be treated.

A "*new deal*" means new men. Men with a new philosophy the rudiments of which are unknown to the die-hards, the wreckers, and the Benedict Arnolds of American finance.

In the future, thanks be to God, we Americans can expect appointees to the Federal Reserve Board who are not dictated to by the barons of Wall Street but rather who act in accord with the President of the United States who has appointed them to their office and, therefore, who is responsible for them.

IV

Pausing for a moment to consider the amendment to the *Federal Reserve Bank Act* as written by President Roosevelt, is it not apparent in framing it, he has thereby written a new law which takes our basic money, or gold, out of control of private individuals and private bankers ?

The new law certifies to every American citizen that henceforth the President of the United States together with the Senate and their appointees control every ounce and every grain of commercial gold resident within this nation.

Whether you know it or not you have lived to see the day marked upon the calendar of time when financial slavery has come to an end. No longer shall it be said to our disgrace that we have permitted the basic common wealth of our country, its gold, to be controlled by the godless hands of a few speculators.

No longer shall it be possible under this new regime and this new law for the value of your farms to melt over night because a group of international Communists have decreed to steal out of our country the gold upon which our wealth is predicated.

That day has passed forever !

Hoarding of gold in the hands of a few has taken its place with the holding of human lives in the hands of slave owners.

The execution of the law is henceforth in the power of the president and his eight appointees, the governors of the Federal Reserve Bank.

Both houses of Congress in passing this amendment deserve the undying gratitude of the American people.

This Congress has done more for humanity and for the American people in the first four hours of its existence than did its predecessor in the last four years.

Lincoln and one Congress are revered for having loosed the fetters of physical slavery.

Roosevelt and another Congress shall be immortalized for having broken the bonds of financial slavery.

My friends, does this not build up a new hope in your hearts a new confidence in our Government, a new ambition to work for the common good ?

While we hoped for this day and prayed for its dawn, it was almost beyond expectations !

The new law is the harbinger of prosperity, the first messenger of a new democracy !

Henceforth, in matters relative to money the Government of the United States controls every ounce and every grain of commercial gold resident in this nation.

Hitherto, a small band of international bankers into whose hands had fallen the control of the world's commercial gold terrorized nations, bred wars, produced famines of money, confiscated homes, devastated farmlands, emptied factories.

Thanks be to God this weapon of destruction is hereby taken from their dirty hands.

V

Momentous events have been happening in the banking world itself. Prompted, perhaps, by a guilty conscience, perhaps by a spirit of reformation, the world's largest bank, the Chase National of New York City, removes itself from its security affiliates.

The ever interesting Will Rogers calls the Security Company the Bank's "*roulette wheel*" and follows with the statement :

"Imagine a bank just having to live on interest alone. Removing their security or holding companies is like taking the loaded dice away from the crap shooter."

Away, then, with the crap shooter ! Now is the time for honest men ; for financial reformation ; for industrial rehabilitation.

Now is the period for real reconstruction.

My friends, it required many years which were characterized by dark devious, by intrigue and by greed before our financial institutions failed us. Let us, therefore, be sensible and not expect their reconstruction to be accomplished in a day.

Need I tell you that Rome was not built in a day ?

Need I remind you that San Francisco and Galveston did not totally rise from their ruins only after a period of many months ?

The “*new deal*,” therefore, must not be associated with an expectant miracle.

The element of time must play its part. The virtue of patience must be cultivated both by you and by me.

VI

But I dare look into the future.

There are approximately \$20-billion of tax-exempt bonds issued by our Federal Government. They are bonds held by private individuals and by banking corporations upon which no taxation is paid.

May I ask you what is the difference between a piece of gilt-edged paper passed out to a bondholder and a piece of green paper such as the five dollar bill in your pocketbook ?

The former is simply a bill of a large denomination and dimensions upon which the Government must pay interest to its holder.

The latter is a bill of smaller denomination and dimensions bearing no interest.

In common they are backed by the stability of the United States of America. In common they are backed by the integrity of the farmer and the laborer and the industrialist of our country.

Now, approximately \$8-billion of these bonds are due sometime this year.

This means that our Federal Government must collect from you, the people, approximately \$300-million in taxation money to pay the interest on these bonds even though they are refinanced and re-issued under some other title.

But as I look into the future it becomes more and more evident that the “*new deal*” means that these bonds will not be refinanced. In their stead good, sound, honest, American currency most likely shall pay them off once and for all.

This does not signify that our Government is abandoning sound money. On the contrary it is a courageous step forward in restoring the sound dollar. Nor does this intimate that

our Government is about to create inflationary or fiat currency money. It simply indicates that we are about to rid ourselves of the dishonest dollar which today, according to accurate figures contains 170 pennies.

Sound money for the sound minded American is identified and always will be identified with 100 pennies in a dollar. This can only be obtained by increasing the volume of our currency and ridding ourselves of at least a portion of our abnormal debts.

Or again as we look over the eastern sky where the sunrise of tomorrow is already casting its first rays of hope upon a distressed world it is not beyond the bounds of probability that the remainder of these tax-exempt bonds totaling almost \$12-billion shall henceforth be taxed.

No longer shall men be allowed to profiteer upon patriotism.

No longer shall men be permitted to wax wealthy upon the common debts of a burdened nation.

Visualize what this will mean !

Billions of dollars which today are invested in the unproductive debts of our country shall be forced to seek investment not in the misery of our people but rather in the stocks and bonds of honest industry ; in the commodities of our fields ; in land itself.

Here is executed a frontal attack on the problem of unemployment !

Here is the logical method by which the parasites of the present economic order shall be transformed into productive agents of human society !

Here is a death blow to usury !

Here is the rebirth of a new prosperity !

Here is the end-all and the be-all of the concentration of wealth in the hands of a few !

Here finally is the solution for balancing the budget !

Beginning almost one hundred and fifty years ago and increasing with rapidity, especially during the past twenty years, the false notion had arisen in this nation that the most profitable way to make money was by loaning money on unproductive debts.

The old philosophy that the industrialist with his costly factories, the farmer with his far-flung acres, the professional man with his years of learning and the laborer with his sturdy toil—the old philosophy that these were the channels where wealth must flow ; that these were the sources from which wealth must spring had been side-tracked and

eliminated by the heretics of civilization who sat in the pagan temples of Wall Street mumbling their meaningless mysticism of money.

They produced little. They controlled all. From their unholy sanctuary they reached forth until they gained control of the steel industry, of the railroads, of the automobile industry, of the textile industry, of the canning industry, of the public utilities, of homes and farms upon which inordinate taxes had been super-imposed. Finally they succeeded in gaining control of the Government itself which became their craven servant.

Like leeches they lived upon both the profits and the debts of the nation, governing it, directing it, mismanaging it, and mangling it.

At one time we find them raising the prices of cotton and wheat and the necessities of life.

At another we behold them slashing wages and reducing values of heavily mortgaged real estate.

Over all they ruled while hiding behind a subsidized press which dared not question or contradict them for fear of being penalized in the advertising columns.

Bankers they were not in the strict sense of the word. Too often they were buccaneer lawyers whose only claim for leadership rested upon the agility of their minds to discover both loopholes within the law and moral weaknesses within the souls of the Punch and Judies whom they placed in the seats of the mighty at Washington to do their bidding.

Little wonder, then, that the day has arrived when the money changers shall be driven from the temple.

A “*new deal*,” a new law and a new man coupled with a new patriotism has risen up against those who have made of our beautiful nation a den of thieves.

A few years ago were one to speak in such terms as these he were branded as a Socialist, as a radical. But times have changed.

In harmony with these thoughts are the majority of men and women in this nation.

At last the great industrialists have awakened to the fact that this concentration of wealth in the vaults of Wall Street must cease. People cannot buy the products of factory or of mill unless the people have a share of the money wherewith to do the buying.

Once more, then, I implore a continuation of patience from a patient people. It is not difficult to picture how week by week and month by month factories will be reopened, the wheels of industry will begin to sing the new song of prosperity ; the army of the unemployed shall soon become the whistling army of happy workers.

My friends, I repeat : expect no miracle. Time must take its course. Soon shall the little children learn to know that their determined fathers and mothers, under the leadership of a Government which dare not fail them and which will not fail them, has like a new Moses pioneered the way from the calf of gold in the desert of the wilderness to the mountain tops where in the distance the land of promise and prosperity stands with open arms to receive them.

The hopes of today—may they become the realities of tomorrow !

VIII

My friends, democracy has not failed in this crisis. It has simply rallied around a leader upon whom it has bestowed its loyalty, its confidence and the power to act.

He is a leader who is surrounded by able, honest, unpurchasable people. How inspiring it was last week to behold the courage of our President and the beautiful simplicity of his help-mate.

How stimulating it was to find Vice-president Garner and his wife working at their desks through long, tedious hours as if they were the humblest clerks in Washington.

How impressive the dynamic activity of James Farley !

How inspiring to sense the atmosphere of humility, of determination and of sterling honesty which was manifest in every member of the Government from the head of the Cabinet down to the lowliest officer !

The fashion and style of Washington have changed.

To serve and not to seek, to lead and not to follow, to do and not to hesitate—may God keep those virtues flourishing during both the days of transition and during the future days of reconstruction.

A “*new deal*” is identified with new men.

Tomorrow and henceforth you can look forward to strict banking supervision as never existed in this country before—so strict that henceforth you can know that your deposits are guaranteed by the honesty of a Government.

Immediately the sound banks will be opened. Within a short while those other financial institutions which are not totally insolvent will likewise be re-opened but under the supervision and control of a conservator. If you look in a “*Century Dictionary*” you will find a “*conservator*” defined as “*a person appointed to superintend idiots, lunatics, etc., and manage their property and preserve it from waste.*”

According to “*Black’s Legal Dictionary*,” “*conservator*” is defined as “*a guardian, a protector, a preserver for one incapable of managing his own affairs.*”

St. Paul has something very apposite to say on this point. In I. Thessalonians, iv; 6, he condemns those persons who overreach and circumvent their brothers in business.

The word “*circumventor*” is defined in our dictionary as “*a man who through artfulness, cunning or deceit takes advantage of his fellowman.*” He is the professional insider.

It is high time that this old word be resurrected for the purpose of placing over certain bankers a guardian whom they sorely need.

Yesterday according to the philosophy then extant the idiot was the investing public who really had no right to his money.

Today the tables have turned and the idiot, perhaps, shall be that type of banker who wasted through gambling and speculation the funds entrusted to him.

My friends, it would be almost criminal on my part or on the part of any other person in public life to raise up in your heart hopes founded on false foundations.

I have already told you that most certainly sound banks will be re-opened. I have indicated to you that banks which in the normal future can be made solvent—these, too, will re-open.

While speaking on this topic I cannot help but reflect on what occurred here in Detroit and, perhaps, elsewhere in many other communities. At least two of our great banking institutions in this municipality had become fearfully weakened in their assets due to the fact that the money which they had loaned on mortgages, which they had invested in stocks and bonds and other securities have scant hope of being immediately returned dollar for dollar.

It will require the healing influence of time before these bonds and mortgages and securities will be honestly re-valuated. Our Government cannot bring about this condition over night. However, let me say a word on the events which preceded the bank holiday in Michigan.

Little by little information regarding the present instability of these two banking institutions leaked out amongst the public of our City.

Little by little the small depositors who were ignorant of the laws of banking and of the laws of finance and yet who suspected that all was not well, began to withdraw their money.

To these people scarcely any blame is attached.

The foundation stone, as it were, of our local banking stability was blasted. No wonder the towers of the entire structure came tumbling down upon the innocent heads of the trusting depositors who either had no inside information or who realized that here was a case where we must either hang together, or, perhaps, hang separately, thereby keeping their money intact in the bank.

Justice shall not be fulfilled in its entirety in the case of such circumventors unless this "smart information," this cunning money, shall be replaced in the vaults of the bank.

Would these gentlemen, or lily-livered insiders, be willing to have us pronounce their names in public ?

My friends, be it said of the present administration of the United States of America that during this past week legislative measures already have been adopted which henceforth shall prevent the repetition of a similar catastrophe when circumventing men shall be able to wreck our banking institutions.

At least from the errors of the past we have learned how to obviate their recurrence in the future.

In passing may I invite you to listen to the first nation-wide radio pronouncement of our esteemed and courageous leader, President Roosevelt, who tonight at ten o'clock Eastern Standard Time will address his remarks to the American public and, no doubt, will touch somewhat upon these thoughts that I have just expressed.

IX

In conclusion, may I state that we must look forward to new men among the citizens as well as among our leaders.

Now is the time to put off the old leaven, the old habits, the carousing, the false pride, the intemperance and the carelessness for virtue, which were the revered vices of yesterday.

At last, my friends, we have found leadership. Now we are seeking followership.

Oh Washington ! Oh Jefferson ! Oh Lincoln ! How have we failed to follow you in your leadership so strong, so true, so dedicated to political, to personal liberty !

Oh fathers ! Oh mothers, of this generation how have we failed to follow you in those examples so dearly dedicated to generosity, to self-effacement and to humility !

Oh Christ, divine Teacher of the divine plan, how have we failed to follow your lessons of justice, of charity, of truth—willing indeed to follow up the mountain if the loaves and the fishes were to be again multiplied—unwilling to follow into the Garden of Gethsemane to spend one hour with Thee !

Oh Christ ! Today we implore Thee by Thy poverty of Bethlehem, by Thy flight into Egypt—we beseech Thee by the merits of Thy sacred passion—the whip, the thorn, the heavy cross, the piercing nail, the cruel spear which opened wide Thy Sacred Heart—to grant us the grace that we may take up Thy cross and follow Thee ! Follow Thee along the pathways of honesty ; follow Thee, if necessary, along the tortuous road to Calvary ! There from Thy Sacred Heart may Thy precious blood continue to flow forth as from a fountain of new life, to bless, to cleanse, to strengthen and preserve everyone of us.

“With malice toward none and charity towards all”—may we cease even righteous anger and say for those whom we judge to be responsible for our present misery, “Father, forgive them, for they know not what they do.”

Driving Out the Money Changers

Charles E. Coughlin

TO THE EX-SERVICE MAN

I

Last week I spoke to you on the subject of the “*New Deal and the New Men*.”

I was reasonably enthusiastic. Enthusiastic because I believe in the honesty, in the loyalty and the courage of President Roosevelt to carry on. Enthusiastic, because I believe in the fine, unprecedented confidence which is evident throughout the rank and file of American citizens and which will continue to be evident as long as the leadership which we have so far enjoyed will remain steadfast to its declarations and promises.

Frankly and without equivocation I plan to address this afternoon’s remarks to the ex-soldier, to the retired soldier. I shall do this because, partly through misinformation, partly through misunderstanding, there has appeared a rift in the ranks of those who above all others should be foremost in their fearlessness and in their determination.

Fearlessness to follow through !

Determination to see that the “*new deal*” will be accomplished, cost what it may !

II

Veterans, I feel that in one sense I have a right to speak to you in your own language ; to speak to you right from the shoulder.

For seven years I have stood back of you, defending you when you have had nothing but slander cast upon you ; and contributing from my personal money until I was forced to borrow from friends when your buddies were hungry, naked and treated like hoodlums as they congregated on the mud flats of Anacostia begging for their bonus or a job.

These are delicate memories to recall. But if in the past I have stood by you when the radical and the communist diced for your leadership ; when a heartless government fed you with fire and greeted you with sabre, in the future, I pledge my word to you, I shall not change.

III

But, I am inquisitive !

What has caused commotion to arise in your ranks ?

Why the hundreds of telegrams which you have sent to your Congressmen asking them to oppose the passage of the Economy Bill ?

Surely, it is not because you and I and every sane American are opposed to a "*new deal*!"

Surely, it is not because we refuse to stand foursquare back of Franklin Delano Roosevelt in his attempt to purge the government of the leeches, the racketeers, the human boll-weevils who have been instrumental in pyramiding our taxes until they almost have become unbearable !

Both you and I know that if this taxation orgy continues much longer, those who own homes or farms will soon be singing : "*It's a Long Long way to Prosperity.*"

Those who never owned homes, never had a better home than a rented flat, had better say, "farewell" to hope, to security and to contentment. Gentlemen, I think that I sense the source of your restlessness.

You have been so preyed upon and played upon by vote seekers that you are wondering whether or not you have become political footballs !

You have been so maltreated, despised, condemned, derided and almost spat upon, that your confidence in good government is measured both by the false promises and by the lash of criticism which characterized the past twenty years.

No wonder that you are agitated !

No wonder that you have been taught by bitter experience to expect a stone when you cry for bread ; to await the bitter cup of vinegar when you plead for a drink of water.

Boys, bear with me ! I am not blind to the past any more than are you. God knows there rankles in my mind the cruel deceit which put guns in your hands and the hate in your hearts.

Every school child knows, at least in part, the Gethsemane through which you lived in the mudholes of France.

Filth, vermin, sleepless night and hellish days !

Nights when the silver moon was outshone by the crimson burst of flares ! Days of slaughter, of blood, of death !

Days when you wondered if Christ had forgotten you !

Forgive me for mentioning these horrid things. I know they make you live over again those hectic times.

They recall the hiss of the bullet, the crash of the shell, the smell of the corpse, the death of ideals which your old mother taught you as a lad.

No one realizes what you have suffered except yourselves.

Nor am I blind to the present—to those pallid faces, to the sightless eyes, to the broken bodies which languish in the hospital wards of America. Listen ! Listen ! can't you hear the thump, thump, thump, of your legless buddy's clumsy crutch ?

Can't you see the dangling sleeve which swings in the breeze as Joe walks down the street ?

Can't you hear the racking cough which tells that Tom has only one more autumn to see the flowers fade, the leaves fall, and then his soul, like the birds, will wing its way to the west ?

Listen and think for a moment !

Think of the crosses row upon row ! The cross—the flag of the Prince of Peace—standing sentinel—like over the victim of the prince of darkness ! Think of the boys and girls whose dads are over there !

Of the widows, of the old mothers whose sons have gone and with them their only support !

Boys, I have been thinking of these things. I have been thinking of you. Together we have been reading the Economy Bill. Together we have been tempted to scream aloud in the face of it when we did not understand it and say : "Is this the reward of it all ?"

"Is this the thanks, the gratitude of a nation ?"

IV

But pause a moment ! Just a moment ! Let us think again !

If you and I are going to think, let us think not with hysteria, not with crookedness, but with straightforward logic.

First of all, if this Economy Bill was passed, are you wondering why the ex-soldiers were made the goat of it all ? For that is what some people are telling you.

Well, if they tell you that, it is a damnable lie. It is not so.

Oh, I have listened to crack-brained publicity seekers tell us that a bankrupt government is about to save itself by cutting the salaries of scrub women, by chopping off the livelihood of janitors, of postmen, of menial servants, and especially by denying a just and righteous remuneration to the deserving ex-soldier or ex-sailor. I have listened to that tommy-rot and I am just about surfeited with it.

The truth of it is, our government dare not do such a thing and will not perpetrate such an action.

Did you ever hear of racketeers ? They are everywhere in life. We have them in church. They are among the Masons, among the Knights of Columbus.

You have them in the government. Washington is thick with them.

You have them in the American Legion, in the Veterans of Foreign Wars and every other military organization.

I know the racketeer. I have been victimized by him.

He goes around ringing door bells. With a sanctimonious look upon his face he tells the innocent housewife that Father Coughlin sent him to sell a book or to beg a dollar.

Anything to chisel an unjust stipend from an unsuspecting person !

Must the entire church be condemned for exposing such a dishonest scoundrel ? Or would you argue with me and say such rascals should not be exposed ?

There are bogus Masons and bogus Knights of Columbus who bring undeserved dishonor upon their organizations.

But, do you condemn either organization for letting the world know who the bloodsuckers are ?

What is your reaction to a government which prints tons and tons of pamphlets on "How Bullfrogs Make Love," "How To Dress For a Sun Bath," "Canal Boat Children" and "How to Make a Cat Trap ?"

Is that not a political racket as was the army of professional snoopers who too often would squeal for a pint and be dumb for a dollar ?

Honestly, do you want the government to perpetuate such rackets as these ?

How about the racketeers in the American Legion or in the Veterans of Foreign Wars ?

Oh, I know that you soldier boys have borne undeserved criticism because of them—and there are plenty of them.

Nearly one billion dollars a year expended in pensions, in hospitalization, in bonus money !

And how much of it—your money and my money—has been handed out to patriotic panhandlers, whose only claim for a pension was a soldier's suit that never left American soil, a doctor's service stripe that was glued to Camp Custer, or a broken rib of the 1925 vintage ?

I have little time to multiply examples. But I do not fear to lay down the principle of "*Millions for the deserving but not a penny for the racketeer.*"

Soldier boys and sailors, what kind of a President of the United States do you think we have ?

Heartless, cruel, unsympathetic ? Is it his ambition to succeed in resorting prosperity by starving widows, by turning his back upon old mothers, by driving out maimed soldiers from hospital wards instead of vile money changers from the temple ?

I know that you think differently. Franklin Roosevelt has a mother whose hair has long since been silvered in the winter of time. He knows what other mothers think because he loves his own.

Franklin Roosevelt has a body that has suffered pretty much. He is not going to take it out of the maimed and crippled because he sounded the depths of that kind of suffering, and sounded it with a smile on his lips.

He has a heart and a soul that puts human rights above financial rights !

And above all, he has a conscience that will not permit him or his Government to squander the hard earned dollars of honest men upon the undeserving, the racketeer.

V

Two years ago, one year ago I was not silent in championing the immediate payment of the so-called Soldiers' Bonus.

I took that stand not for the purpose of being antagonistic to the Government's policy ; nor to gain the acclaim of the American Legion.

I advocated this immediate payment to put into circulation approximately \$2½-billion of currency money and, if possible, to bring us nearer to the point where gold would be revaluated ; where debts would be harnessed ; where the end of the depression would be reached.

Certainly, I always had sympathy for the ex-service man. This was especially so when doles for bankrupt banks and railroads were handed out by the billions of dollars ; when hardly one constructive thing was being done for the unemployed, for the jobless veteran.

You were patient fellows, sober men, all through this terrible campaign against poverty. You have written a page in the record of time that shall never grow dim when men in the future speak of level-headedness.

If you petitioned for a bonus, you qualified your request by coupling with it the substitute of a job. "*The bonus or a job*"! That was your slogan.

Well, since that day, times have changed.

Do you want me to paint the picture of it all over again for you ?

One hundred and eighty thousand farms are confiscated ! Two hundred and thirty-five billion dollars of public and private debts which cannot be paid in full !

Hunger in the midst of plenty !

Nakedness with cotton at 5 cents a pound ! Fourteen million men out of work !

Gentlemen, your ranks have been augmented. Fellow sufferers have joined you until you have become outnumbered.

A new condition has arisen when a new leader has considered our nation to be in the equivalent of a state of war.

But it is a war to the death !

A war not against a foreign foe.

A war not waged with bayonet and bullet. But a war to be fought here in America.

Now is no time to seek a bonus. Now is the time to put on the armor of courage ; to take into your hands the weapon of determination.

Boys, the battle is on !

Three years of needless suffering ! Three years of sharp questioning ! Three years like the three hours of agony endured by Christ on the cross have conspired to regiment the best elements of America into a solid army.

We are determined once and for all to attack and overpower the enemy of financial slavery ; to oppose and to defeat those who still support the ancient heresy of the concentration of wealth in the hands of a few, the principles that cunning bankers must control labor, industry and agriculture. It is about time that industry can take care of its own business, as can agriculture and as can labor.

In this venture can we rely on you, on every sane American to take his place in the ranks of justice ?

The real fight is but beginning. The real leader is in command.

Do you not see that the old economic foundations of our life upon which our palaces, our homes and our hovels were built, is cracking visibly beneath our feet ? Look around you !

Long enough have we stared at those cracks trying to patch them up again, only to see them widen and widen.

Long enough have we watched the happenings in other nations.

Europe and South America are crowded with the refugees from revolution. The Hapsburgs of Austria are scattered and with them departed a thousand years of tradition.

The Romanovs of Russia went down in the darkness of a new reign of terror.

The Hohenzollerns of Germany are no longer in power !

The curtain of time, of progress, of liberty has been rung down upon the old scenes of life's drama.

This is a new play, a new war in which the heroes and captains of yesteryear have no part to play !

Fellow citizens, need I parallel with the European names of Hapsburg, of Romanov, of Hohenzollern their American counterparts, the international money changers ?

Need I outline the strategy which you and I must employ under our leader ?

There is the citadel of debt which we must overpower.

Attack it, if you will by economy on the left flank and by the nationalizing and revaluation of gold on the right.

There is the long line of financial entrenchment which next we must capture.

Force its defenders to submit to the recall of unproductive, interest bearing bonds. Then compel them to share with the nation at large their sole right to conduct privately controlled banks.

There is the campaign that is marked out for us ! Its battles will be long and arduous. And perhaps the wounds which you will receive will be numerous. Oh, but it is worthwhile !

Perhaps we will be able to accomplish all this under the banner of the old-time democracy. And on the other hand, perhaps we will be glad to continue for an indefinite period under the new democracy of the Franklin D. Roosevelt type.

At any rate, you and I are both agreed that the height of yesterday's democracy is the depth of today's misery.

Democracy, if it will endure, must be purged. Never again can we elect spoilers and profiteers under the name of a Harding. Never again can a wave of puerile emotion, democratic emotion, if you will, give us prohibition under the guise of law and order ; prohibition, the adulterous mother of ten thousand acts of lawlessness and disorder.

Yesterday's democracy gave us the financial jazz of Wall Street and the rag-time philosophy that we could sell foreign nations without buying from them.

Its hero was the bootlegger, and its master, the racketeer !

Its high priests were the dishonest press. Its god was the idol of gold. And its victims were the voters — the farmers, the laborer, the soldier, the industrialist, the professional man, the army of the exploited and the regiment of the jobless !

Soldier Boys, you have asked for either a bonus or a job.

I know what you mean. I speak your language. You want to exercise your right to work. Isn't that it ? It is your right. No government may long continue to exist which does not grant it.

You want a job which pays an honest wage ! A job which enables you to own your own home ; to protect and educate your own boys and girls !

I have confidence that little by little such jobs will be made available. I am not anticipating a miracle but I am anticipating a speed which this oldtime democracy never dreamed possible.

VII

But there is another job ! A bigger job !

Before I mention it I am going to ask you a question. Do you know what patriotism is ?

Do you remember how in your boyhood days you learned to love the stream which flowed by your farm ? Every hillside was your playmate ; every tree and rosebush, your companion.

There were schoolmates and sweethearts. Then came the great city.

Then came love, a modest home, and baby fingers to play among your manly locks.

As the little home grew dearer and dearer in your heart, you really began to live.

Work became a pleasure. You were proud to bring your friends around as they were proud to have you call at their homes.

What is patriotism ?

Well, add to the love you have for your dad and mother, the joys of your boyhood. Mingle with them ten thousand baby kisses and the devotion of your wife, and you have its source, its fountainhead.

It is then that your country begins to mean something to you. Do not its laws protect this home that you love ?

Its institutions—do they not mean something to you ?

Schools for your education, courts for your defense, markets for your purchases, factories for your labor, churches for your spiritual care ? All for your children—for your boys and your girls.

Only these institutions, according to your way of thinking, must be better, if possible.

Fellow citizens, if patriotism means anything it is identified not only with the past and the present. It reaches out to the unseen future, to the future of your dreams with its ideals, to the future which will be your boy's present.

Patriotism means progress. Patriotism proposes to leave your country a better place than you found it.

Why, then, shall you or I be so unpatriotic as to suffer silently the undeniable abuses which surround us ? That is not patriotism to suffer like that. That is cowardice.

Washington, Jefferson and Lincoln—the heroes whom we have elevated to our altars—they were dissatisfied with the abuses of their times. They became heroes because they destroyed them.

Shall their virtues be vices for us ?

Shall we not meet and destroy the financial abuses which have grown up in our midst, the tyranny of Wall Street, the thievery of banking institutions, the game of playing with other people's money ?

Surely, you have a job, soldiers—an heroic job, a job that does not try to identify patriotism with how much you can get out of your country but by how much you can put into it ?

Therefore, this is not the time for the self-seeker. There is no honor for the able-bodied veteran at this moment who has his hand out seeking a dole when 20-million farmers are forced to sell their produce at slave prices ; when 20-million women and children know not where their next week's meal is coming from.

If it is necessary for some of the veterans to take a cut, blame not Franklin Roosevelt who dare not spend more money than he is taking in. Blame the money changers, the racketeers of high finance, the holders of precious, priceless Liberty Bonds who have invested in the corpses in France, in the broken bodies in our hospitals, in the widows and orphans and in the general misery of a country rather than in the products of industry or of commerce or of agriculture.

No veteran will be permitted to suffer physically from wounds received in the war if his condition is brought to the attention of the proper authorities. And no veteran who is receiving medical attention or pension through the grace of a racket should dare to continue to do so during these days of crisis through which we are passing—these days

when honest men will stand side by side, cost what it may, in this battle for financial liberty.

Blame the weavers of war who upon their loom of greed pass back and forth the shuttle of gold from nation to nation.

Blame the international banker !

Do you know that : “*barely was the ink dry upon President Wilson’s signature to that unfortunate declaration of war into which we were cajoled by the lying propaganda engineered by some international bankers of ours, who had been financing the war for Great Britain and France when the first of the money raised by us from our people by popular subscription-money amounting to \$400-million was promptly used to repay J.P. Morgan and Company out of the proceeds of the first Liberty Loan.*”

“*That money represented the amount the Morgans had loaned Great Britain and it was represented by an over-draft advanced by Morgan that might never otherwise have been repaid,*” and you were sent to collect it even with your life.

I quote that information about Liberty Bonds and Morgans from the address of the Honorable Samuel Untermeyer of New York City, delivered February 27th, 1933, before the University Club of Los Angeles.

Well, that should be enough to stir you and awaken you. Soldier boys, your greatest battle is in the making.

Never with the old capitalism will we work out our destiny.

Never under communism can we live.

There is a leader who has promised us a new day and a “*new deal.*” All we ask is that the simple precepts of Christian social justice be spun into the fabric of our everyday lives.

You are tired of those so-called cyclical depressions—depressions caused not by an act of a kind God but rather by the avarice and stupidity of godless men.

You are weary of bearing conditions which forced the factories to close and compelled you to raise your children a prey to rickets and to tuberculosis through undernourishment.

Neither you nor I can figure where the justice of Jesus Christ permits one fortunate individual to amass and to hold millions of unproductive dollars, of blood bonds, while his fellow citizens, his brothers and sister in Christ Jesus, know not where to turn for the next poor penny to keep body and soul together.

Soldier boys, beware of the cunning deceivers who at this vital moment would separate you from the leadership of a President who has pledged himself to the forgotten man and, therefore, to the Unknown Soldier.

His it is to lead.

Yours and mine to follow.

Late as yesterday the sword of truth was in his hand, the shield of courage was before his breast as he was fighting the efforts of a certain group of bankers—Detroit bankers—who precipitated the nation-wide holiday and who were engaged either through themselves or through others in trying to resurrect the corpses or the two great group banks, with new names, perhaps, over their main entrances, with new names listing their boards of directors and their chief executives, but with the old principles, the old tricks, the old dishonesty still prevailing.

It was the City of Detroit where the bank holiday originated. It is in the City of Detroit and nowhere else that the cleansing of the Augean stables of the banking industry will take place.

The Wall Street bankers were willing to pour millions of dollars into this banking graveyard of Michigan to prevent the establishment of a Federal controlled and Federal directed banking unit.

But what happened yesterday ? The old banks are gone forever. The Federal Government is establishing two new banks in this City. This has been decided upon. Half the capital will be subscribed by private, local interests, by citizens, by industrialists, by automobile manufacturers. And the other half by the United States Government. Not loaned, mind you, but actually subscribed. Half the stock, the shares belong to you and to me and to the American people.

Here is the greatest advance in the history of banking which this nation has ever experienced ?

Here is a Federal controlled and Federal supervised fool-proof institution where “insiders” cannot drag out the back-door their money and leave the little “outsider” depositor staring through a closed front door.

Fool-proof, if you keep your Government clean and out of the hands of Wall Street ! Soon other banks will be open. And if the bank in your town, Mr. Veteran, wherever you live—if the bank is still closed, that is no argument that it will never open. It will be opened and it will be foolproof, I hope.

At this moment congratulate President Roosevelt and Secretary Woodin for this other victory which they have gained on the battle front.

Ladies and gentlemen, I said that a new chapter has been written in American banking. One week ago I tried to emphasize for you a chapter that was equally new and equally important.

Now our Government controls the gold of this country. Today it has ventured upon a policy that has been longed for and hoped for and dreamed of by every understanding heart that ever throbbed to the tempo of the tune of liberty.

We in Detroit will see that this becomes the model bank of civilization. We will support it. We will protect it. We will defend it against the attacks from those who say that it is a departure into the realms of radicalism.

Preferably, it is only the God-given right of a Government to take out of the hands of private individuals the elemental and substantial things which are for the common good of all.

Soon shall Cleveland and Pittsburgh and Buffalo and every other city be clamoring for similar institutions !

Soon shall Federal controlled banks make their appearance not only in every city of these United States but in every city of Europe, Asia and South America where men still love liberty and where the lamp of faith and the patriotism of progress burn within human hearts !

This is but the first battle. And, men, you dare not desert your leader who has pledged himself to drive out the money changers. With your help he can do it !

The day we hoped for has arrived. It is the golden dawn of a golden era ! It is the rebirth of the patriotism of progress !

Soldier boys, I know that you learned much from rubbing shoulders overseas. Your minds are not old-fashioned minds. Not minds filled with the savage notions of primitive tribes nor with the haughty egoism, the bully spirit of pagan patriotism ; the patriotism and the egoism, both of which are identical with the mortality of a worn-out past. Ours is a Christian patriotism, predicated upon peace and justice and charity.

Do you misunderstand me. When I say peace, I am no pacifist. When I say peace, I am no advocate of a row boat navy. But I do not believe that by loving my country, I must hate my neighbor's country as we were taught to do in the past.

This is what you men have learned from rubbing shoulders with the German and the Italian, the Pole and the Jew, the Slav and the Scot, the Irish and the Canadian.

There is room to live and let live in this world which God has given to us. There is time to develop a polity of peace.

There is need on your part and on my part to help spare the children of this generation from being forced to bathe in a cauldron of war more fierce, more bloody, more cruel than we ever dreamed of.

And while speaking of that, I am thinking of a verse penned by the great apostle of the Gentiles.

I am thinking of the thought which is expressed in the words : “*There is neither Jew nor Greek, there is neither bond nor free, there is neither male nor female for you are all one in Jesus Christ.*”

Do you know what that means ? If you want to find out, stand you at a corner of Michigan Avenue or Broadway and watch the traffic pass you by.

Amid the hum of the motors, the honk of the horns, the clang of the bells, the shouts of the voices, there is a drama being enacted before your very eyes.

Italian and Greek, jowl by jowl ! English, Irish, French and Spaniard, sailor from Portugal, trader from India, native from China ; black and yellow and white Caucasian, Jew and Gentile, watch them as they mingle in the traffic ! Listen to them as they speak a common tongue ! Behold them, one and all, brothers and sisters of Christ Jesus, crimsoned with His blood, crowned with the glory of His grace.

“*I have prayed that you be one,*” said Christ our Master. Elsewhere He said : “*One God, one faith, one baptism and one Father of all.*”

Behold the melting pot of America where there is neither bond nor free, no distinction between male and female in the courts of the land. Christ’s dream coming true. Paul’s vision being realized upon the canvas of life, for you are all one in peace, one in the brotherhood of Jesus Christ.

Away, then, soldier boys, with bigotry and your gun logic.

Lift aloft the flag of unity. Not the red flag of the internationalist ! But alongside our own Stars and Stripes, lift aloft the flag of Christ’s charity, of Christ’s love, of Christ’s doctrine that whatsoever we do to the least of His little ones we do unto Him.

One we are and one we will stand so that the truth will make us free. There is the battle for us to fight !

There is the Waterloo for the international money changer, for the Liberty Bond holder.

God bless you, soldier boys ! God bless you !

Driving Out the Money Changers

Charles E. Coughlin

" From The Ashes We Shall Rise Again "

I

Certain names and places have acquired more than a local interest. Bethlehem, the least of all villages, forever will be a name universally recognized because of the, immortal Christ Who was cradled there.

The name of Lexington has traveled with the shot that was "*heard round the world.*" So with Gettysburg whose mere pronouncement is universally associated with the death of slavery and the rebirth of a new liberty.

Therefore, I do not hesitate today to speak to this national audience of the City of Detroit.

Formerly its history was identified only with a garrison and trading post founded by Cadillac. In later years its development from a peaceful river port into a throbbing beehive of automotive industry was linked with the names of giant industrialists—the Fords, the Fishers and their contemporaries.

But tomorrow children shall be taught to tell upon the rosary of time the new history that is ours today.

Detroit has become the birthplace of a financial dream.

It has taken a place in the pages of history alongside Lexington and Gettysburg.

II

In brief, my friends, the hopes and aspirations of all honest citizens have been achieved. The first battle against the money changers has been won ! Our Republic is young. For one hundred years or more while it was developing in thew and sinew ; while it was transforming forests into cities, pasturelands into golden fields and deserts into gardens,

there grew up within it as elsewhere a group of men whose god was gold and whose creed was greed.

They were devotees of the neo-paganism ; acolytes in the sanctuary of materialism ; and prophets of narrow individualism—individualism which was devoid of responsibilities ; individualism which was totally divorced from both social justice and Christian charity.

By no means do I include within their unhallowed ranks the honest banker, the pioneer banker who fought shoulder to shoulder with his townsmen in their struggles against adversity. Rather do I point only to the lineal descendants of Judas Iscariot who year after year contented themselves with selling their fellow citizens for the equivalent of thirty pieces of silver.

“The first battle has been won”, said I ? But the war has not ended. It has but begun.

In all likelihood before the flag of peace finally will be unfurled Cleveland and Pittsburgh, Chicago and Kansas City, Los Angeles and Boston, New York and New Orleans—these will be names emblazoned upon the escutcheon of time. These, too, will be battlegrounds consecrated with the blood of victory—the courageous blood, shed, if necessary, in driving the money changers from the temple of this land of ours—!

My friends resident throughout this nation, let me report to you what occurred at Detroit so that you may profit both by our wounds and learn from our struggle in the contest which most certainly shall be yours tomorrow.

III

As you well understand the financial structure of the United States of America became so weakened and undermined that on the day after President Roosevelt’s inauguration he found it necessary to suspend all banking operations.

It was a structure which reminded one of a building whose foundations had crumbled ; whose supports had rotted. Fearing its immediate crash the Government roped it off, stationed guards before its entrances and nailed the danger sign over its doorways.

The Morgans, the Kuhn-Loebs, the gamblers of Wall Street had been well assisted by the Mitchells, the Harrimans and their lieutenants in crime throughout the nation.

All semblance of honesty and of justice had been abandoned by this group—a group which had dedicated itself to the manipulation of the industrialist’s factory, to the confiscation of the farmer’s home and to the degradation of the toiler’s lot.

Modern banking had degenerated into a crap game where the dice, too often, were loaded ; a crap game played by the unscrupulous expert with other people's money.

Other people's money !

Sleek haired bandits attired as slick as an undertaker and wearing a white carnation in their lapels, were officiating at your financial funeral as they ushered you to the wicket for the deposit of your hard earned wages.

Wages to be piled into substantial savings only to be looted by the oily-tongued bond salesman !

Had you been gifted with prevision when this salesman had bowed his way from your presence—your money in his wallet and his Wall Street paper in yours, commonly known as wall paper—you might have seen the crepe of destruction hanging on your door ; you might have heard the winds of wailing poverty whistling through it as your requiem was sounded.

Did the Government of the United States come to your rescue with a warning ? Not at all !

Where was the flaunted freedom of the press which in bold type and with sickening repetition gave its support through the financial columns of purchased propaganda while America and its citizens were being ravaged by this plague of ghouls—sepulchral ghouls who, cared little for God's justice and less for man's happiness ?

Like the criminals of the Middle Ages who claimed sanctuary and immunity in the Church of God, the banker, the professional looter, found safety and defence in the silence of the modern newspaper.

Neither by an act of God, neither by plague or famine, neither by tornado nor by hurricane, was man deprived of his share of a bounteous nature. If unemployment has been multiplied, if poverty has increased, if the heart of the world has been pierced by the sword of suffering, whom do we blame for the catastrophe which has overfallen us ?

Men, wicked men ! Men who cast aside the mantle of virtue. “*Away with Prudence, Justice, Fortitude and Temperance !*” cried they. “*Welcome the seven deadly sins ! Come Pride, Covetousness and Lust ! Come Anger, Gluttony and Revenge ! Welcome Sloth, the vice which cares naught for one's eternal salvation !*”

Welcome again the sins that cry to heaven for vengeance—defrauding the laborer of his wages and robbing the widow and the orphan !

Oh, men, you dreamed you dwelt in marble halls. You forgot, however, that the wages of sin is death.

One by one your marble halls of finance which had been built upon the quicksands of sin began first to topple and then to fall.

All the prostituted propaganda of public pronouncements was unable to save them.

“The rain fell, the floods came, and the winds blew, and they beat upon that house, and it fell, and great was the fall thereof,” (Matt. 7:27)—the rain of your man-made poverty, the flood of bitter, human tears and the wind of passion and of discontent. Such was the prelude to the collapse of our financial structure. So were the words of the prophetic Christ once more realized by a patient, suffering people.

Then came days of meditation, of investigation and of analysis.

What was the chagrin of the people, my friends, as they discovered beneath the ruins of the house the pagan philosophy which had recently been engendered from the unmoral minds of those banker men ? Had we not been taught that if and when a bank failed, the stockholders in such an institution were legally obligated to pay a double liability assessment for the protection of those who had placed both faith in them and money in their vaults ?

Was it not generally understood that wherever a bank failure occurred the owners of a bank must first suffer before a depositor shall lose a penny ? That was the law of the land.

But contrary to the spirit of that law, thousands of banking institutions preferred to practice the sin of injustice by forcing the people, the depositors—the scrubwoman, the laborer, the farmer and the policeman—to suffer first, thereby protecting the grafting, grasping, greedy banker.

In no sense am I criticizing the honest stockholder, the brave stockholder who is willing to bear his burden and share his responsibility.

This criticism is meant for the welcher, the coward, the lily-livered selfseeker who always plays to win, who never dares to lose, cost what it may ! Was not that the thought originally behind the operations of the Reconstruction Finance Corporation as the public Federal money of the United States, raised by taxation of the people at large, was poured into those ratholes of banks to keep alive the exploitation ; to save the cringing stockholder ?

“Let the depositor suffer ! Hands off the sacrosanct stockholder !” What though our statute books clearly and specifically state that whosoever buys bank stock does so with the understanding of accepting the responsibility of bank failure ?

The law has been perverted.

All liabilities of wealthy, inside stockholders, all responsibilities and all justice to the innocent depositors have been hopelessly confused, entangled and enmeshed by the unmoral creation of so-called holding companies, which made it possible to cheat the widow, to rob the orphan and to depress the poor, while they enabled the artful dodgers of high finance to escape the law.

For the preservation of the sanctified white carnation the American people had been tricked.

In this struggle, therefore, to gain our financial freedom and to re-establish the liberty of our laws, is it not plain, my friends, that on one side stand the regimented forces of bankers and stockholders entrenched behind the walls of holding companies ? On the other, the determined hosts of mulcted depositors ?

Keep that point in mind as I describe for you the battle of the bankers waged at Detroit, Michigan—a battle fought on the one side with the weapons of the highwayman, with the logic of lies, under the captaincy of a commissioner of police supported by an unseen general who sat in the sanctum of an editorial room while the puppets of his press played upon the gullibility of an unsuspecting public.

And on the other side were the industrialists who had made Detroit, the vast majority of its soul free merchants, its hundreds of thousands of small depositors—men and women of every class who anxiously awaited some definite word from the columns of their newspaper ; men and women who asked only for the bread of truth but to whom was handed the buncombe and stone of falsehoods.

IV

And now for the story of Detroit in particular.

Here we had two presumably great group banking institutions known commonly as the First National Bank and as the Guardian Group.

Approximately six weeks ago these banks along with every other bank in the State of Michigan were closed by our Governor's proclamation. This was the beginning of the so-called national bank holiday.

Governor Comstock took this step because it was said that one unit of the Guardian Group was in a weakened condition. The citizens were assured that the First National Bank was perfectly solvent, securely sound.

Sound banks ! So subtly was this lie established throughout the City of Detroit that according to testimony certain branch bank managers of this institution ran to the telephone on the morning of February 14th ; called up clients who had more or less large deposits, and assured them that the First National Bank could pay at that moment 80 cents on the dollar, adding that it would require only a few days to pay the remaining 20 cents.

Affidavits for this statement from duped depositors are in my possession. But what were the real facts at the moment while this lying telephone propaganda was being practiced ?

On December 31, 1932, the cash and Government securities of the First National Bank amounted to approximately \$108-million. This means that it could have paid only 25½ cents on the dollar.

On February 11, 1933, the cash and Government Bonds of this same bank amounted to but \$45-milllion. This means that it was 12½ per cent liquid when depositors were being told that it was 80 per cent liquid.

In thirty-five banking days previous to the bank holiday approximately \$63-million of "inside information money" had leaked out of this bank either through the front door or the back door. If this withdrawal figure is not correct it is because of protected, and deceitful bookkeeping.

If the naked truth were known these two banks were not only rotten. They had already decayed beyond repair.

Secretary of the Treasury, Mr. William Woodin, confirms this statement in a public utterance made March 25th when he says :

"Candor compels me to say that losses in both of these banks extend far beyond their capital structures, and neither of them can be permitted to carry on as sound banks."

To emphasize this point let me go on record in stating that even in November, 1932, the banking situation in Detroit had become so decadent and obnoxious, according to national bank examiners, that the great First National Bank of this City in order to escape having its charter recalled began to peddle out their bad paper, their bad accounts to their affiliates and trust company which became nothing more than dumping pots and ash piles for the refuse created by mismanagement.

You plain people of America wonder what wrecked the banks. Well, let me tell you in brief its sordid story.

First, the Government officials who have seized the books of these banks can detail for you a long litany of loans made by the banking officials to their affiliates. Loans oftentimes which had little or no security to back them up. Loans made to men who

dodged their responsibility to the depositors by hiding behind the legal but immoral holding company similar to the one of which E.D. Stair is president.

These loans, as we know, were beyond all proportion. The officers who procured these loans were taking the small depositors money to pay for their comfortable homes, their motor cars, their gambling upon the stock market, their living in ease and in luxury on other people's money. They contented themselves by saying : "*My stock in the bank is hidden in the holding company. I can escape paying the double liability. Why should I not profit by the dumb-bell money although my security does not warrant this borrowing ?*"

Secondly, false financial statements helped to wreck the banks—false in the sense that the statements, despite the ravages of the depression, still counted real estate and dead loans not at the present, adjusted values but at 1929 values.

Thirdly, branch banking and real estate mortgage loans wrecked the banks. On February 25, 1927, under the Mellon regime the Government then permitted banks to invest your money and my money in real estate mortgages. Mortgages which permitted the dishonest builder and the rabid speculator in apartment houses and in real estate subdivisions to squander the depositor's money while he drives by in his motor car and watches the cows march home to be milked on the pavement twenty miles from civilization.

So the crap game of frenzied finance went its unholy way here and there and everywhere, pampering the speculator, skyrocketing prices and caring little for the inevitable day of reckoning.

Thus, on the records of the First National Bank are manifested loans procured from outside. They had to run out and borrow to save it from failing months ago. But despite the necessity of borrowing money, despite the findings of the bank examiners, despite the inevitable finger of failure which was already stretching out to indict them, this bank still kept milking the money from the people and practicing its deception by showing upon the public statements profit of \$310-thousand for two months' operations, the worst two months in the history of the organization, as it was proceeding on its joy ride from the mad house of speculation to the morgue of failure. But in the meantime the old rule still obtained that the banker and the stock holder must win at any price. The depositor must pay !

That is why the holding company was established. An honest banker needs no holding company. Its very existence is an indication of hidden practices.

Then came the collapse.

Followed six hectic weeks of conference, of debate, of conniving. Six weeks devoted to chiseling the public. Six weeks which ended up not only with a zero for accomplishment but with hundreds of millions of dollars of commercial, of industrial and of laboring loss to the City of Detroit.

Then the Reconstruction Finance Corporation was asked by these bankers for a loan. It was petitioned to step into the morgue and lift from the cold, gray slab a corpse that was already stinking in the nostrils of a nation. It was asked to perform a miracle with your money and my money in order to save the precious hides of those who had dissipated the depositor's money.

But it was time to bury the remains. The best informed people in the City knew it. The bank examiners knew it, and the Government knew it. Therefore, it was decided by the United States Government to establish a new bank in Detroit and, if necessary, to let the law take its course as far as the stockholders, the mismanagers and the officers of the old banks were concerned.

Here was news of a most important character. The United States Government decided not to make a loan to this new bank but to purchase every penny of its preferred stock—\$12,500,000 worth of it—to purchase it, mind you. The General Motors Corporation, the Chrysler Corporation and the Ford Motor Corporation—organizations which had given impetus to the growth of this fair city were invited to purchase \$12,500,000 worth of the common stock.

As a result the General Motors Corporation made the total investment of the common stock with the understanding—the written, pledged, contracted understanding—that every penny of its stock was for sale to the old depositors of the defunct banks, penny for penny that had been paid for it, not a penny's profit.

At last the dream of the centuries had been realized. A Government controlled bank had been called into existence. This was glad news to the citizens and sad news to the bankers.

“But this governmental program must not be realized,” said the white carnation bankers.
“It means our exposure. It means our ruin.”

Then began a program of villification.

The slogan of “*Save the old banks!*” was spoken from rostrum, from loud speaker and emblazoned in captions in the press.

“Pity the poor depositors!” was the cry that was also hypocritically raised. As a matter of fact what they meant to say was “*Save the stockholder and pity the chiselers!*”

To spread their propaganda there appeared in the columns of “*The Detroit Free Press*” scurrilous articles indirectly attacking the Government for venturing to establish a new bank in the City of Detroit—this new institution “*of the people, by the people and for the people.*”

“The old racket must continue!” said the exploiters.

On Monday, March 20th, we read on the front page an editorial in "*The Detroit Free Press*" which in part is as follows :

"Federal Bank Examiners now in charge of these banks at Detroit make no attempt to conceal the fact that banks have opened in the United States that were in worse condition than those of Detroit. They have been assisted by the United States Government. . . ."

"Detroit, carrying the burden of the depression, was denied assistance at Washington, and despite denials and counter-denials those best informed still believe that politics played an important part in precipitating the banking holiday in Michigan. This fact remains, that communities which were not nearly as badly hit as was Detroit, were extended the helping hand by the Reconstruction Finance Corporation."

"No other conclusion can be reached by persons who will take the trouble to wade through the reports of the Federal Reserve System and of the Comptroller's office."

This is the thought expressed by "*The Detroit Free Press*" a rabid, partisan paper. A paper published by the President of the Detroit Bankers Company ; a paper that was wedded to the past with its exploitation ; a paper religiously opposed to the "*new deal*".

This statement is a sample of the vicious misinterpretation that was designed to obstruct the driving out of the money changers from the temple of this country. It is absolutely untrue according to the statement of Secretary of the Treasury, Mr. Woodin, and his associates who have the real information at hand and who report to the nation that "*losses in both of these banks extend far beyond their capital structures.*"

It is in keeping with the misrepresentations made by "*The Detroit Free Press*" of a telephone interview which a news reporter had with Bishop Gallagher and in which he was misquoted by him.

What a cheap insinuation had been uttered by this paper here and in many other instances during these six weeks of camouflage and of deceit. At one time trying to outwit the public by their half-baked truths. At another taking a cheap gutter-born sling at the President of the United States who promised the people of this country a "*new deal*".

Here was an example of professional obstructionism, of editorial wrenchslinging under the patronage of a gentleman who not only publishes a newspaper but is also the president of the Detroit Bankers Company, the holding company, the hide-out company, to which belong the First National Bank of Detroit, the Detroit Trust Company, the First Detroit Company, the First National Bank Building Company, the Detroit Banker Safe Deposit Company and eight other independent banks of the group scattered in the neighborhood of Detroit, the total resources of which amounted to approximately \$560-million. No wonder he had an ax to grind ! I repeat it, it was the huge hide-out company

behind whose walls it was possible for the buccaneers to divide their loot and to defy apprehension.

This same gentleman, Mr. E.D. Stair, the publisher of "*The Detroit Free Press*," in the columns of which were carried misstatements, purposeful extravagances, vicious insinuations, to prevent the Government controlled bank from opening its doors and serving the people of Detroit ! Mark him well !

Working hand in hand with him was Commissioner James Watkins who rules over the destinies of the police department of Detroit. His specialty was radio addresses. Appearing before the public as seemingly representing the policemen and the small depositors—and representing nobody—he waxed eloquent in his condemnation of the Government Plan and in his pleadings to establish an annex to the morgue where the corpse which he was defending was already decomposed.

The small depositor who bore allegiance to him did not know that this self-appointed leader owned 165 shares of the First National Bank stock. The small depositor did not know that 1,477 shares were likewise owned in Mr. Watkins' immediate family, making a total of 1,642 shares or \$32,840 that he and his immediate family as stockholders were obligated by law to pay upon the double assessment for the protection of the small depositor.

Nor did the small depositor of the City of Detroit realize that this same Commissioner James Watkins has total obligations of \$170,390.00, to be exact, to the Detroit banks with only approximately \$1,200.00 on deposit against it. How easy are the misinformed and deceived public taken into camp by those who have an ax to grind and a hide to save.

Mr. Watkins, skilled attorney that he is, well knew that in the event of the establishment of this Government controlled bank he would be forced to pay back some of the other people's money upon which he had lived as well as meet the \$32,840.00 liability towards the small depositor which he was endeavoring to escape.

Ladies and gentlemen, those who, for the most part, have defended the corpse that is now buried will be found to be seeking the flesh pots of Egypt.

For twenty years or more the people of this nation have been suffering from the slavery of Mellonism. Its policy was to protect the white carnation. Its program was occupied with gambling with other people's money, with building up a false confidence that has come crashing down upon them. Its vehicles of propaganda oftentimes were the mouths of Government officials and sometimes the columns of news journals similar to the old lady of Fort Street, "*The Detroit Free Press*."

"Save the stockholders !"

"*Let the depositors pay on the line*," although 60-thousand families in Detroit are eating the dole bread of poverty at the table of the Lord.

Meanwhile, “*Revive the old banks. Revive the crookedness, protect the undersecured borrower, pamper the speculator, bequeath to your children the financial sorrows which you have experienced—above all, sustain the holding company, the den of forty thieves, the hide-out, the blind pig financial institution where shady transactions are perpetrated and where are printed the depositors’ passports to doom.*”

Thus the battle was waged.

The defenders of the old system played upon the minds of the small depositors by telling them that if the United States plan of Government controlled banks were adopted, our finances would fall into the hands of “outsiders,” of Wall Street. The business man was approached with the threat that his industry, his holdings would be ruthlessly liquidated.

How false and misleading !

The Government plan as established last Friday and which will continue here in Detroit is no “outside” plan, as I said.

Briefly the plan is this : There will be 100 per cent stock issued on this new bank.

Fifty per cent, may I repeat, of it shall be preferred stock. Every penny of which shall be owned by the Government—\$12,500,000.00

Fifty per cent of the total stock shall be common stock. For the time being it will be owned by the General Motors Corporation—\$12,500,000—but with the understanding that you and I and every citizen of Detroit who has been a depositor has the right to buy it and own it.

Moreover, a Government representative shall sit on the board of directors of this new people’s bank.

This is no “outside” plan, no Wall Street plan, no big interest commercial plan.

To quote from an editorial in yesterday’s “*Detroit Times*” we read :

“*And as for fanciful claims that the new bank is sort of a carpet-bagging institution, a stranger in town, as it were, payroll and tax records of Detroit are the best evidence. General Motors, which is a partner in the bank with the government, pays almost \$2,000,000 in taxes yearly to Detroit and approximately 55 percent of the entire pay roll of the huge organization is disbursed within the State of Michigan.*”

Is that an outside bank ?

The editorial continues :

"As for fear that some New York or Chicago or other influence may buy over the bank stock and with it control of the new institution, Washington officials point out that the government in the first place does not intend to sell any of its preferred stock until after there is a general recovery, and that when this time comes the stock will be offered first to Detroit.

"So, as far as Washington is concerned, Detroit's bank emergency is cleared up. A new bank is functioning and Uncle Sam will do his best, over a period of time, to get depositors dollar for dollar out of the defunct institutions. The pity of it is that the big banks were allowed to get into the state that the government finds them."

Thus, my friends, Detroit has won the battle. We had courage to confront the enemy in his stronghold. Despite his wealth, his influence, his newspapers ; despite his perversion of truth, his duplicity, his hypocrisy, we have won the honor in our fair City of seeing the birthday of the first Government controlled bank in our modern history—a bank of the people and for the people—a bank whose stockholders and officers hide behind no blind pig holding company—a bank that has opened its doors with the assurance of guaranteed deposits—guaranteed by the presence of the Government ; guaranteed by the cooperation of the depositors.

Meanwhile, "plenty of things are being gossiped about and discussed daily in financial circles to furnish ammunition for an enterprising survey of the wrecked banks to find out all about what happened to them.

"The United States Government should bring out all the facts for the public to see. If bad loans and 'unhealthy' deals were made with depositors' money, the people ought to be told.

"And steps should be taken to see that the same or similar things do not happen again."

And now, my friends in Detroit, the latest word is the simple slander that Father Coughlin has been purchased—"I am now on the side of the big interests!"

For seven years I have been and now am on the side of the biggest interest in this democracy, the interest of the people.

On the side of those 60-thousand families on the welfare while the Watkinses and the Stairs fight the battle for those with unsecured loans, undersecured loans, officers loans, wholly out of proportion to any credit they were entitled to.

Every penny of this is the people's money the small depositor's money, the small business man's money, swept away in this banking debacle. \$2,800,000 of Reconstruction Finance Corporation money given to Mayor Murphy to feed the poor—that went into the rathole with the rest of it.

Big interest—yes clearing away the money and banking obstacle that presently controls the life blood of the people.

My interest is in the big interest—yes, I tried to be a voice, almost alone, crying in an economic wilderness—crying : “*Prepare ye the way of the Lord ; make straight His path !*”

“*Every valley shall be filled, every mountain and hill shall be brought low*”—every valley of economic injustice, every mountain of corrupted graft. Do you know the circumstances which decided the choice of a motto for the City of Detroit ?

It was in the year of 1805. A hot, sultry afternoon in the middle of July had parched the lawns and dried up the fields.

A farmer was observed driving a team of huge horses. Behind them was a wagon loaded with hay. The farmer was smoking. Suddenly his load of hay was ablaze !

The wind was rising from the northwest. Soon the neighboring frame houses were on fire.

Despite the frantic fight of the citizens to extinguish the flames, 2,500 houses—every home in Detroit—had been destroyed.

As the sun was sinking in a flame of crimson, the villagers were on their knees, pleading with God to give them courage.

“*Let us hope for better days. We shall arise from our ashes,*” spoke an old French padre.

My friends, from the ashes of the financial structure which has been destroyed ; from the ashes resulting from the activities of the wicked banker, the banker who set his torch of greed to the edifice of our prosperity, Detroit and America shall both rise again. Better days are to come !

Driving Out the Money Changers

Charles E. Coughlin

THE TRUTH MUST BE TOLD

I

Of course there is no topic for discussion which currently bears half the interest as does the financial question.

It is one which is far reaching. The past is strewn with the wreckage of mismanaged banking institutions. The future is lighted by the lamp of a new hope, of a new deal, which gives promise of the return of a sane prosperity.

Naturally, the present is disturbed. It is a period of transformation of social conflict. Old prejudices, worn out systems, impractical methods and immoral ideals have been washed aside by the flood-stream of righteous indignation.

On the one side tenaciously clinging to the past were the speculative bankers, the credit inflationists, the gamblers with other peoples' money. Opposing them were the battalions of the exploited—the deceived investors, the small depositors, the anxious industrialists, the hard pressed merchants, the laborer and the farmer.

The inevitable happened !

Armed with the weapons of truthful facts, the exploited rose in their might to overwhelm in the first pitched battle the forces of the exploiters. History will record this victory as the birthday of the first Federal controlled bank in the United States of America.

As far as Detroit is concerned, its two most important old banks are hopelessly insolvent—\$150-million insolvent according to the Detroit Times, which is now about to run an expose. They have gone forever.

Just as all important sections of the United States have been interested in this conflict, so, too, they will be doubly interested in its aftermath. Now is the time to repeal the false ideals of the old system.

Now is the time to insist, first, that stockholders in these old banks shall pay their double liability to the depositors as demanded by the law of the land.

Now is the propitious time to outlaw once and for all the holding companies which were part and parcel of the old system—holding companies which last Sunday I termed “hide-out” companies behind whose corporate walls widows and orphans and small depositors were artfully and cruelly despoiled.

II

What was said on this subject of “holding companies” in last Sunday’s discourse I neither retract nor modify. Today it is my aim to amplify these statements with concrete reference to the Detroit Bankers Company.

My approach to the dissolution of the Detroit Bankers Company is necessarily along the tortuous pathway which leads to the editorial rooms of *“The Detroit Free Press.”* Its publisher is at once the President of the Bankers Company. I refer to Mr. E.D. Stair, who is now enjoying the clemency of Florida weather.

“The Detroit Free Press,” be it known, has functioned in this City for over one hundred years. Its traditions were moulded in the sands of a former age.

Older institutions have outgrown it because in their veins there flowed the virile blood of progress.

Younger organizations whose pulses beat in the tempo of the new day have discovered new outlets for their energy, new services for their clients. Not unkindly do I characterize this institution of *“The Detroit Free Press”* as moribund. In journalism it lacks the vivacity of its local contemporaries. In policy it appears to be wedded to silly class supremacy. It does not seem to comprehend that no longer is it possible to hide behind the walls of its pressroom and dominate the thought of the community where it functions.

Someone has quoted these verses for its epitaph :

“*Pillars are fallen at thy feet,
Fanes quiver in the air.
A prostrate city is thy seat,
And thou alone art there !*”

Unconscious of the far flung influence of the radio, this relic still carries on its warfare for the continuance of the obsolete, for the preservation of the corpses of the past.

Ladies and gentlemen, in our contest against the old banking system we were not disappointed in finding the forces of *“The Detroit Free Press”* arrayed against us.

Nor were we chagrined at its tactics. To become angry and disturbed because of these tactics on my part would be to betray intemperance where sympathy is rather required.

I regretfully understand why this journal all week long expended both its maximum effort and talent in assailing me with personalities because I of necessity was forced to identify its banker-publisher in my condemnation of the holding company, the hide-out company, over which he presides.

More headlines, more space have been wasted by "*The Detroit Free Press*" in one week in an effort to villify me, than were devoted to the relief of the poor, of the starving thousands in this year of our sorrowful man-made famine.

Morning after morning my name and my "*nefarious*" activities were held up to the hatred of many while some 270,000 fellow citizens were forced to eat the scanty crumbs which fell from the table of the Lord, and not one paragraph to defend them.

This was the only forceful argument which this journal could employ to defend the integrity of holding companies.

Its pretext for assailing me was founded on the assumption that I had made a personal attack upon its editor and others.

As a matter of record, I referred to Mr. Stair as the publisher, as the banker. I regarded him as much a public character as was, for instance, the indicted Mr. Charles Mitchell of New York or Mr. Insull, because he was President of an institution which controlled the destinies of hundreds of thousands of depositors.

To this public gentleman I referred last Sunday in rather strong but rather truthful language. But to the private Mr. Stair, as yet, I did not even allude.

Ladies and gentlemen, this broadcast that is coming to you today would have been prevented if "*The Detroit Free Press*" had been successful in its devisals. I regret that the journal which proudly bears the appellation of "*Free Press*" forgot itself to such an extent as to endeavor to intimidate free speech.

In desperation its editor wrote a letter to every interested radio station and to the Federal Radio Commission intimating legal proceedings, for my alleged libelous statements regarding Mr. Stair and others.

This journal which has constantly belittled the activities of broadcasting is to be pitied in its futile attempts to sustain the dead past ; in its attempt to impede the establishment of an honest banking system. Little heed is paid to these senile tactics by the intelligent American who has grown weary of this type of decadent journalism, a type which in the mirror of today is reflective of the actions of yesterday.

Yesterday ! May I open for you the pages of our State history to substantiate this assertion.

It was the year 1912. The Honorable Chase Osborn was then Governor of Michigan. That year was identified with the obnoxious saloon. That year was notable for the many discussions on woman suffrage.

In Michigan, there was an organization known as the Knights of the Royal Ark.

This order petitioned the State Legislature to oppose any liquor legislation designed to clean up the saloon and the bar-flies that inhabited it ; to oppose the bonding laws' changes, woman suffrage, referendum, recall, etc. Saloon born politics were distasteful to more progressive minds. It was high time for progress to seek its ideals and to select its direction from sources other than the cupidors and the brass rail which give impetus to many editorials.

Thus, in an official document filed in the State archives, Governor Osborn makes the following record :

"The Order of the Knights of the Royal Ark is composed of saloon-keepers. These saloon-keepers are all dependent upon the Michigan Bonding and Surety Company for their bonds. . . . The connection between the Knights of the Royal Ark and the Michigan Bonding and Surety Company and the large brewers. . . . is unbroken. They might be warranted in taking a position in opposition to the proposed brewery and bonding legislation ; but when they extend their influence to such questions as the..... referendum. . . and woman suffrage, it proves that they fear the wholesome public voice and are disposed to smother it wherever possible."

So speaks the official document.

Governor Osborn continues with the observation that :

"The Detroit Free Press" and "The Detroit Journal (now defunct) are active supporters of the Michigan Bonding and Surety Company and of the brewery-owned saloon."

Later on in this public document that is filed in our archives, the Governor states that :

"E. D. Stair, a large owner of these papers, won his money from the cheap and vulgar and suggestive theatre business. So illy-conducted were some of them that one at least became known to the police and public of Detroit as 'the Crime Academy'."

And so this official document asks the question of the State Legislature :

“How many of us will flock with the Michigan Bonding and Surety Company, the brewery-owned saloon and Mr. Stair, and who will foregather with those who are standing and hoping for better things in Michigan.... The agents of evil obtained their profits from the common people by selling them things that excite sensual debaucheries (referring to the saloon and the melodrama) and then use the same money to prevent their emancipation and improvement, thus keeping them in a state of sad bondage wherein they are most easily preyed upon. Thus are the masses made to forge their own shackles and wear them.”

In such forceful language did the former Governor of Michigan strongly speak of “*The Detroit Free Press*” and its former affiliates.

The point is, to requote the former Chief Executive of our State : “*It proves that they fear the wholesome public voice and are disposed to smother it wherever possible.*”

The unerring pen of history continues to record this characteristic of the “*Free Press*”—a characteristic that is linked with opposition to reform. Reverently I approach this blemished page of modern history which tells of the only journalistic disgrace perpetrated during the Presidential campaign.

Need I rehearse for the people of the country the glorious platform of President Roosevelt ? His more glorious progress ?

A few weeks before his election to the Presidency, Mr. Roosevelt visited the City of Detroit.

Disparagingly “*The Detroit Free Press*” referred to him.

Contumeliously they insinuatingly compared his importance and popularity to those of a convalescent chimpanzee, Joe Mendi, by name. No wonder you gasp !

Twenty thousand citizens interested in the President, insinuated their article. Forty thousand persons interested in the monkey !

Need I now explain the reason for this journal’s personal attack upon myself ? Arguments spun out of billingsgate ; insinuations coined in the mint of desperation ; headlines set in the type of deception—all because I allegedly attacked their publisher’s personal character when I merely scratched the surface of the official activities.

All I am interested in when disclosing these well known facts is that “*The Detroit Free Press*” is today as of yesterday, interested in obstructing the establishment of wholesome progress.

Yesterday, it defended the obnoxious saloon and opposed woman suffrage. Today, it defended a rotten financial corpse and opposed the Federal banks.

Yesterday it advocated the retention of the old deal, the Mellon deal, by stooping to insult our beloved leader.

Today it argues for the sanctity of holding companies by painting me as a scoundrel.

While I thank "*The Detroit Free Press*" for their compliment in so classifying my efforts, nevertheless I am inclined to absolve them for any intended hurt aimed at me either through the activities of their investigators or through the paragraphs of their editorials.

But bear in mind, "*The Detroit Free Press*" which has undertaken to be the defender of stockholders and holding companies is offering no defence for its cause when it dodges the issue to indulge in personalities.

It accuses me of uttering falsehoods and cannot substantially prove its own statements.

It defames the Radio League of the Little Flower and myself for investing in productive Michigan industry, which we will do again, while it canonizes the gambling organization which pertains to the Detroit Bankers Company.

My friends, as we approach the end of this broadcasting season, it is apposite that I restate the position of the Catholic Church and of its clergy relative to their officially discussing economic questions—a question that was forced upon me by "*The Detroit Free Press*".

For several years I have addressed you on topics dealing with social justice—labor, the concentration of wealth, exploitation, taxation—subjects which are of paramount importance to all of us.

While the world is confronted with definite problems it is erroneously inferred that the clergy should be satisfied with speaking in wide gauged platitudes. In the face of universal distress it is falsely presumed that clerics should appease their consciences with the narcotic of silence—a silence that has been dramatic. These unchristian thoughts suggest a serious question, namely, whether it is within the province of a priest to deal officially with these modern problems or whether he should confine himself to the preachments of things spiritual only.

I wonder how the gentle Christ would make answer to this question ? Supposing that this year, this very day, He returned in the flesh to walk amongst His brother men.

Where would you find Him ?

Wintering in the soft effeminacy of a southern isle or mingling with the unfed, the unclad in Union Square ?

Behold your Christ as He mingles with the unfortunate !

Once more He would gather around Him the cold, thin forms of little children !

Bread for the hungry, the medicine of miracles for the sick, consolation for the outcast—these are His immediate gifts.

“*Why*,” asks He, “*must men starve in the midst of plenty ? Why must there be luxury, and ease and lenten holidays ? Why must the poor be trampled upon ?*”

“*Why must God’s brothers be treated like servile beasts ? Why ?*”

Of old did He not break the sinful silence of cowardly conservatism to inveigh against the Pharisees ?

And now, will He not wax eloquent against the Pharisees of concentrated wealth ?

Tell me not that Christ will speak in platitudes when fifteen million men are unemployed ! when twenty million families are burdened with unbearable debt.

If an Annas or a Caiphas must be assailed as unworthy leaders in the sight of heaven, will not Christ condemn them ?

If the princely lords of Wall Street try to catch Him in His speech—call Him the friend of Beelzebub, call Him demagogue, call Him radical, will He the fearless, peerless One hold a sinful peace—when there is no peace !

Not he ! “*Woe to you Scribes and Pharisees, ye hypocrites—Ye who bind heavy and unsupportable burdens and lay them on men’s shoulders ! Ye who devour the houses of widows ! Well do ye make void the commandment of God, that you may keep your own tradition.*”

Hear ye ! Hear ye the words of the courageous Christ proclaiming His doctrine of brotherhood, even at the expense of the lashings of malefactors ! “*The poor shall have the gospel preached to them ;*” for neither Christ nor His Church, in the words of the great Leo, “*are so concerned with man’s spiritual welfare that they neglect his temporal good.*”

Thus, my friends, from Christ’s example, I dare pass on to the supreme authorities in the Catholic Church, Leo and Pius, the noblest pontiffs of them all ! From them every cleric gains added authority to speak on matters economic in the name of Christ and of religion.

In his letter named “*Quadragesimo Anno*” (*Forty Years After*) Pius XI says :

“*We lay down the principal long since clearly established by Leo XIII that it is our right and our duty to deal authoritatively with social and economic problems Indeed the Church believes that it would be wrong for her to interfere without just cause in such earthly concerns ; but she*

never can relinquish her God-given task of interposing her authority, not indeed in technical matters, for which she has neither the equipment nor the mission, but in all those that have a bearing on moral conduct."

This is the earthly concern of the moment—one particularly “*in defence of the poor and the weak*,” as Pius characterizes it, wherein “*Every minister of holy religion must throw into the conflict all the energy of his mind and all the strength of his endurance.*” That is the doctrine of the Catholic Church and not the doctrine of “*The Detroit Free Press.*”

This is the same economic conflict which caused the head of the Catholic Church to oppose the immoral conditions of his time when laborers were paid insufficient wages—a condition which he then termed little better than slavery.

What would Leo XIII say today when fifteen million men are idle in this country with no wages at all ?

Little better than slavery in 1891 when there was work.

Worse than slavery today when there is no work.

My friends, in a simple manner I have dared to defend the poor and the exploited ; dared to do my duty, cost what it may ! For this I gladly stand condemned by those who refuse to understand the Christ of the cross Who was crucified because He assailed the Pharisees.

If occasionally then, I have used the scourge of rhetoric to help drive out of public leadership those who have controlled the policies of poverty, of idleness, of worn-out and disgraced financialism, I have done less by far than did the patient, loving Master Who scoured the money changers from the temple, the Master Who had compassion on the multitudes, the Master Whom they crucified because the high priests of compromise framed Him with fake witnesses.

My friends, every age has its proper problem. Every age should find the Church always alert to cope with peculiar difficulties, always courageous to lead.

Thus it was that Pius remarked that “*At this moment the condition of the working population is the question of the hour and nothing can be of higher interest to all classes of the State than that it should be rightfully and reasonably solved.*”

How harmonious is this thought to the one expressed by his predecessor of 1891, namely : “*It must not be supposed that the solicitude of the Church is so occupied with the spiritual concerns of its children as to neglect their interests temporal and earthly !*”

It is for that reason that I have considered it a beautiful privilege to apply the principles of my leaders to the problems of our day—“our day”, says Pius XI, “*when it is evident that wealth is accumulated by immense power, and despotic domination is concentrated in the*

hands of a few, and that those few are frequently not the owners but only the trustees and directors of invested funds who would minister them at their own good will”— the will which dominated the activities of crap shooting bank affiliates and their hide-out holding companies.

This is my commission. These are but suggestions from the leader of the flock.

If I be a demagogue, so must be Leo and Pius. Whatever I am, I am not important. But my doctrine is of paramount importance.

Briefly, then, this is a struggle between right and wrong ; between worn-out capitalism and Christian democracy ; between threatened Communism and distributive justice.

The only answer for our economic salvation is to oust the money changers from the temple of God and within its hallowed precincts to re-establish the virtues of Christian morality.

This, I swear to God, has motivated my attack on the money changers, by name, if you will ; by specific activity, if you please, because they were hidden behind the pages of purchased propaganda and meretricious publicity where the uninformed citizen could not discern them.

Thus, the unpleasant task devolved upon me to make mention of “*The Detroit Free Press*” and its banker-publisher, as obstacles in the way of sound banking.

The penalty for doing this was obvious. I could expect little less than was received by the prophet Isaias who was sawed in two for having disclosed the wickedness of King Manasses—sawed in two, to destroy the doctrine that I preached ; sawed in two, so that the Manasses of journalism could survive !

And so I return to my indictment of the gambling company and of the Detroit Bankers Company.

As for the affiliate of the Detroit Bankers Company, let me read for you an astounding criticism of it made by Senator Carter Glass. The Senator records the following officially :

“I learned that one of the most distinguished lawyers at the American bar, at one time president of the American Bar Association, Solicitor General of the United States under President Taft, had given an exhaustive, searching opinion as to the legality of national bank affiliates. I have read the opinion. Although not a lawyer, I venture to pronounce it a legal classic, searching and sweeping. The opinion is, in effect, an unmistakable declaration that national bank affiliates are absolutely illegal, that they contravene the national bank act, that the parent bank contravenes the national charter, and the affiliate in many instances the

State statute and the charter of the State from which it derives its existence. Court opinion after court opinion of both inferior courts and the Supreme Court of the United States are cited.

“No action was ever taken under this tremendously important opinion of the Solicitor General of the United States. Not only was no action taken, but it is within the confines of fact to say that the opinion was suppressed ; and few things have ever happened in this country that better illustrate the power and the blandishments of inordinate wealth, because the opinion dealt with institutions and individuals who had accumulated inordinate wealth. Not only did the Attorney General at that time fail to act, but another Attorney General, some years afterwards, elevated to a place of even higher distinction, declined to permit the opinion to be made public.”

I said that holding companies made it possible to cheat the widow, to rob the orphan and depress the poor while they enabled the artful dodger of high finance to escape the law.

Here are facts to substantiate this unthinkable assertion.

First : The Detroit Bankers Company in its series of reports to the stockholders failed to disclose by the balance sheets included therein the true statements of its capital structure.

In 1930 \$8,300,000 of capital issued was concealed.

A serious statement ! I have proof for it.

In 1931 \$6,100,000 of capital issued was concealed.

In 1932, in the report signed by Mr. E.D. Stair, the impeccable president, \$5,601,960.00 of capital issued was not disclosed.

That, my friends, is deceit. That is falsification of the records (of which I spoke last Sunday and was called the tantamount of a liar for saying so)—records which have been handed every stockholder and copies of which I have in my possession.

Second : In this same series of reports to stockholders, the Detroit Bankers Company makes no mention of the balance sheet of the following subsidiaries or affiliates, namely,

The First Detroit Company.

The Detroit Company

The First National Company

The Assets Realization Company

The First National Building and Garage Company once owning an edifice costing millions has evidently lost the building ; for in the petition for a receiver filed March 29, 1933, the structure is not listed as an asset. If it were sold, let Mr. E. D. Stair tell us what become of the proceeds.

Third : Another subsidiary of the Detroit Bankers Company is the Detroit Trust Company, owners of thousands of shares of Detroit Bankers stock. Some was held for estates of the deceased, leaving widow and orphan protected with the penniless properties of the Detroit Bankers stock.

But the Detroit Bankers Company is not devoid of assets. They have stocks in various banks. But the majority of the banks are closed and the asset is a liability amounting to millions.

They have \$51,000.00 balance in the First National Bank, but this is slightly offset by a loan from the same bank of depositors' funds to the extent of \$3,982,664.99. They also have \$200.00 cash on hand.

The Detroit Bankers Company also have an asset of \$4,270,000.00 in a note from the Assets Realization Company, whatever that is worth.

Again I find a \$1-million note made by the Detroit Bankers Company to the First National Bank and one for \$250,000.00 to the Detroit Trust Company, given in return for the hard earned dollars of the depositor to shear up the tottering structure of the holding company.

These loans were made on collateral—collateral worth today less than \$400,000.00.

But on January 18, this year \$180,000.00 was borrowed from the Detroit Trust with no security.

In other words, the Detroit Bankers Company looted the Detroit Trust Company for \$800,000.00 and the value of the security is \$110,000.00 as appraised by competent authorities just yesterday.

Fourth : Now pause to see what the Detroit Bankers Company did to the First National Bank. On two days in January of this year the holding company borrowed from the First National Bank \$2,982,000.00 at 3 per cent interest with no security and owes an extra million secured by property worth today \$300,000.00.

Fifth : The Detroit Company, another subsidiary once a great corporation, has its capital listed today at \$1000.00. But it owns 41,211 shares of Detroit Bankers stock. How in the name of God can it meet its assessment of \$804,220.00 as double liability ?

Sixth : The First National Company is another \$1000.00 capital company. But it owns 5,465 shares of Detroit Bankers Company stock with a liability of \$109,300.00.

Seventh : The Detroit Trust Company has 71,682 shares of Detroit Bankers stock with a liability of \$1,433,640.00.

Eighth : Then comes the stockholders' list that Detroiters saw yesterday which was interspersed with hide-out names, with dummies legally owning thousands upon thousands of shares ; legally liable for hundreds of thousands of dollars that have gone forever !

Thus the roll call of every grand old name in Detroit.

With these people I deeply sympathize. They are people around whose names is woven the story of our progress, our culture and our stability ; people who unwisely permitted their fortunes to be melted in the fires of greed lighted too often by misunderstanding men !

Their estates are ruined not by the upheaval of a bloody revolution ; not by the red menace of the Communism we fear ; but by the unethical, unskilled banker—not the grand old conservative who was shelved to make place for lesser men—who, I repeat, were experts, gambling with loaded dice, with other people's money.

These are the unthinkable charges still unthinkable to any man with a life-time of character behind him—charges that are proven.

The facts and figures are furnished, first from the reports of the Detroit Bankers Company to its own stockholders—reports that the executives were too careless to check for internal contradictions. The facts and figures are furnished from the Detroit Bankers own petition for a receiver filed in the Circuit Court of the County of Wayne in the State of Michigan, Friday, March 29, 1933, No. 214,667, an official document, officially condemning the holding company as a hide-out company to anybody who cares to read it through.

This is the proof that I was dared to produce. Any person who wants a copy of this official document can obtain it at the County Clerk's office. Throughout the nation such progressive and honest news journals as "*The Detroit Times*" or "*The Detroit News*" will continue to work towards sound banking, honest banking and the return of prosperity. Dishonesty and knavery must be uncovered at any price.

The news journals of character must not forget their obligations to the public. Nor may clerics refrain from throwing into this struggle for economic freedom, the justice and charity for which Christ lived and died and the teachings of His spokesmen whose example condemn cowardly silence and plutocratic bourbonism.

Oh, there is so much to be done ! Away with our bickering ! Let the dead past bury its dead. Let's look to the future and solve the mighty problems which needs must be solved !

Behold the forced idleness which is ravishing the flower of our country's youth !

Shall that continue ?

Behold 50-million dependents who are wondering this evening where life's bare necessities can be found !

Underfed babies, ragged children, closed factories, burdened farms, empty churches, soap box Communists !

Behold what is in our midst !

Of old Christ stood weeping on a hilltop as He gazed upon the Jerusalem which He loved. Its people had fallen into the hands of a foreign foe. There was poverty because there was exploitation.

There was injustice because of gold seeking Pharisees.

There was discontent, because of lying, cowardly leadership.

Now as of then, the same Christ looking down upon both crowded city and far-flung farmlands, says to the Jerusalem of America :

"Oh Jerusalem, Jerusalem, thou that killest the prophets and stonest them that are sent unto you, how often would I have gathered together thy children, as the hen doth gather her chickens under her wings, and thou wouldst not ?

"Behold, your house shall be left to you, desolate. For I say to you, you shall not see me henceforth till you say : Blessed is he that cometh in the name of the Lord."

Fellow countrymen, think me not bold or arrogant if I plead with you to gather under the outstretched wings of Christ's cross !

Our house must not remain desolate !

Our vision of prosperity and of Christian happiness cannot be realized until as a nation we dry the tears from the cheeks of the rejected Christ and welcome Him and His doctrines—His social justice, His economic liberty, His Christian democracy, His divine charity—to come in the name of the Lord !

Too long—much too long—have we followed the rules of error, of greed, in our mad endeavor to substitute for the laws of God and the doctrines of Christ the man-made legislation of financial slavery !

For God's sake let us think of sound men—sound in body and in soul—rather than of that fiction of sound money—sound according to some wornout formula !

Clear the park benches of the derelict !

Empty the darkened hall rooms of the disconsolate ! Open wide the factory doors !

Give us this day our daily bread—bread that is earned by the sweat of the brow !

The bread that can save America from a catastrophe !